

STATE OF CALIFORNIA

MEETING OF THE
CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

Tuesday, January 27, 2004
Department of Consumer Affairs
400 'R' Street
Sacramento, California

MEMBERS PRESENT:

VICTOR WEISSER, CHAIR
PAUL ARNEY
DENNIS DeCOTA
JOHN HISSERICH
BRUCE HOTCHKISS
GIDEON KRACOV
JUDITH LAMARE
ROBERT PEARMAN
RICHARD SKAGGS
JEFFREY WILLIAMS

ALSO PRESENT:

ROCKY CARLISLE, Executive Officer
LYNN FORSYTH, Administrative Staff
YVETTE JOHNSON, Staff Services Analyst

INDEX PAGE

Introductions	3
Approval of October Minutes	11
Executive officer Activity Report	12
BAR/CARB Presentation	17

AFTERNOON SESSION

Ad Hoc Committee Report	104
BAR/CARB Presentation & Discussion	106
Public Comments	208
Adjournment	230
Transcriber's Certification	231

P R O C E E D I N G S

CHAIR WEISSER: I'm going to call the Tuesday, January 27, 2004 meeting of the Inspection and Maintenance Review Committee to order, and as my first duty of 2004 I want to wish everybody here a happy New Year. I haven't seen very many of you between our last meeting, which, as you know, left a gap of a couple of months because the long-awaited report from the Bureau of Automotive Repair and the California Air Resources Board was delayed. During the transition we decided to cancel our last meeting.

Everyone has had a chance, I'm sure, to obtain an agenda in the back. If you don't have one, please at your leisure stroll back, and you'll see that today we have a pretty interesting line-up of events.

The first unusual thing you in the audience might note is a couple of new faces up here and a new face sitting the box, the contestant's box, to my right. What I think might be helpful for everyone is if we on the committee did some self-introductions and ask our new members to hold off towards the end and we'll ask them to give much longer introductions than we existing members on the committee have given, just so you get a sense of who the new folks are, where they're coming from and what their interest is in this subject matter.

So that being said, I will start off by introducing myself. I am Vic Weisser. I am the president of the California Council for Environmental and Economic Balance, and I'm also the chair of this committee. I have been the president of CEEB, the California Council, for 15 years. CEEB is a coalition of organized labor and larger California businesses that works in public policy areas associated with the environment, air quality being high among those public policy areas. Thus, my interest in this committee.

As I've said before, if we are to achieve air quality goals, a substantial amount of emission reductions, hopefully cost-effective emission reductions, are going to be needed to come out of the mobile source sector. The smog check program is deemed by most to be a source of such cost-effective emission reductions. Prior to working at CEEB I was the executive director of the California Public Utilities Commission and worked at the PUC for about ten years.

And with that, I'm going to move to Mr. Skaggs to my far left and ask him to do a far briefer self-introduction.

MEMBER SKAGGS: Thank you, Mr. Chairman. Yes, I was appointed by the Speaker of the House in 1996. I was a producer/director at Disney. We did the Epcot Center that is the environmental prototype community of tomorrow. Also a film

called *The Sky is Falling*, it was the first film on acid rain worldwide, and that was narrated by Cliff Robertson.

I then entered into an environmental company called Home Star Environmental Products. They existed with synthetic (inaudible) that lower emissions in both gasoline and diesel that was tested by the California Air Resources Board and proving to lower emissions some time ago, and that was the name of the company is Home Star.

The other company is called Cal Test. We designed some of the first equipment for the diesel emission program.

I was also on a committee in Washington, D.C. for the American (inaudible) Exchange Council, that stands for ALEC for short, and that was the environmental taskforce.

I also served on the Film Advisory Commission for motion pictures. Also, I served in Washington, D.C. on another committee on film advisory.

I've enjoyed working with this committee. I think this committee has accomplished a lot. Sometimes the agencies disagree with some of the things I ask. Sometimes it happens that way, but I've enjoyed working with these folks and I'm looking forward to the future working with the same folks on this committee. Thank you.

MEMBER WILLIAMS: I'm Jeffrey Williams, I'm a professor in the Department of Agriculture and Resource Economics just

nearby at UC Davis, and I hold an endowed share in transportation economics, which allowed the Department chair and the dean to squeeze me into serving on this committee.

CHAIR WEISSER: Thank you.

MEMBER DeCOTA: Good morning, my name is Dennis DeCota. I'm an industry appointee originally by Governor Davis and then reappointed last year by Senate Rules. I have been a shop owner, I've had test-only, I've had test-and-repair and automotive repair shops in the Bay Area for some 22 years.

My other hat is that I'm the full-time executive director for the California Service Station and Automotive Repair Association, and I still continue to own a service station in Marin County.

CHAIR WEISSER: Thanks, Dennis. Gideon.

MEMBER KRACOV: My name is Gideon Kracov. I'm a public member appointed by Governor Davis in August of last year. I'm a deputy city attorney for the City of Los Angeles in the real property and environment division that talks to the city departments giving them counsel on environmental matters as well as civil prosecutions.

CHAIR WEISSER: We'll skip, then Mr. Bruce Hotchkiss.

MEMBER HOTCHKISS: Yes, I'm Bruce Hotchkiss. I was appointed by former Speaker (inaudible). I'm an automotive technician by trade. I work for the Bureau of Automotive Repair,

I'm currently on loan to the Department of Consumer Affairs Mediation Division, and I guess I've been here for two years.

MEMBER LAMARE: Good morning, I'm Judith Lamare, I'm a political scientist. I was appointed by Senate Rules Committee. I manage the Cleaner Air Partnership, which is a Sacramento region air quality coalition sponsored by the Metropolitan Chamber of Commerce and the American Lung Association.

The American Lung Association is my principle client. I'm a consultant, I work for others as well as I do volunteer work (inaudible).

And let's see, I've worked for the Senate and I've taught university political science before that. Thank you.

CHAIR WEISSER: And now I'll ask the first of two new members to do an introduction. Paul.

MEMBER ARNEY: Hi, I'm Paul Arney. I was recently appointed by Governor Gray Davis, or former Governor Gray Davis. My background, I worked for the U.S. Forest Service for about a nine-year period. I worked for as a code enforcer for about four years. I have a background in natural resources. I hold a master's degree in public policy. Presently I work for the State Legislature for Assembly Member Dario (inaudible) in Glendale. For him I'm a representative, I work with water issues, I work with urban park issues, economic development. I also serve as a consultant for the select committee on (inaudible).

My interest in being here is quite simply clean the air, clean up the environment, and I'm really excited about (inaudible).

CHAIR WEISSER: Very good. John.

MEMBER HISSERICH: Good morning. My name is John Hisserich and I'm recently appointed by previous Governor Gray Davis. My training is in public health. I'm on the faculty and the administration at the University of Southern California, actually I've been there for going on 32 years. I've had the opportunity over the last few years to serve the state and public of the state in a number of ways, probably most notably on the Coastal Commission for a number of years and the Santa Monica Mountains Conservancy.

My interest in this is as (inaudible) and I've seen the impact of efforts to deal with air pollution in the state and I think that the program that is administered through this plays a central role in that and I look forward to working with this group, all of whom seem to like being here, which is nice to hear, to look forward to work with the industry, with the public and with this group to understand how we can effectively continue the program that's underway. Thank you.

CHAIR WEISSER: Thank you, John. I think the audience will agree that folks here represent a variety of viewpoints, a variety of backgrounds, which will help bring up a variety of

questions and hopefully a consensus on answers as to how to provide recommendations that might assist making this program as cost-effective and efficient as possible, as well as consumer friendly as we strive to achieve state and federal clean air goals that have been set for us.

You'll notice a couple of members not present today, and both Mark Martin and our vice-chair Norm Covell have received hall passes to miss this session. They both have outstanding commitments and were unable to attend. They will both be receiving transcripts and have committed to both reading them and being subject to a quiz following reading them to make sure that they understand and hear all the comments that are made both by the presenters, the questions that might come from this committee, comments and questions that might come from the public.

Well, it now is my great and grave honor to introduce our new executive officer, Rocky Carlisle. Rocky joined us late last year, and this being his first meeting, I thought it would do us all good for Rocky to give us a brief rundown on his background and his interest in herding this group of cats that sit up here in some sort of coherent direction.

Rocky.

MR. CARLISLE: Thank you, Mr. Chairman. First of all, I'd like to thank the chair and vice-chair and the committee as a

whole for nominating me last November to this position. I was appointed November 14th by former Governor Gray Davis at approximately 4:15 in the afternoon. If it makes any difference, I'm not sure.

My background, I've been with the Bureau of Automotive Repair for almost eight years as a quality engineer, worked on various projects like the test-only project and prior to that as a technician and shop owner for 26 years.

— ooo —

CHAIR WEISSER: Very good. Well, and now if we could, let's move into our regular order of business. The first act that we need to do is to review and approve the summary minutes from the last meeting.

MEMBER DeCOTA: I make a motion that we approve the summary minutes as written.

CHAIR WEISSER: Mr. DeCota.

MEMBER SKAGGS: Second.

CHAIR WEISSER: Seconded by Mr. Skaggs. Is there any discussion on the summary minutes? I have one question I'd like to ask the committee, and that is you know we have moved to a very abbreviated version or approach on reporting what transpired during these meetings, the notion being that we don't want to spend an inordinate amount of staff time attempting to try to depict each and every event. We want to highlight the events

that occur and then allow interested parties to, if they so choose, read the transcript or actually listen to the tapes of the meetings.

Have the members of the committee found this to be satisfactory, is there any objection to continuing this? Hearing none, are there any other questions or comments?

Hearing none, all in favor of adopting the proposed summary minutes, please signify by saying aye.

IN UNISON: Aye.

CHAIR WEISSER: Any opposed? Hearing none, the minutes are adopted.

— o0o —

We'll now move into a report by our new executive officer regarding his activities since 4:15 November 14th. Rocky.

MR. CARLISLE: Thank you again. The last couple months I've been working on getting the office, believe or not, operational again. The computers (inaudible) so they're a little bit obsolete. There were a lot of services we didn't have available, and so that's been a little bit of a challenge, but to facilitate that as well I've also requested that the office be relocated from 915 L Street to another state building, either at 400 R Street in this building or any other state building that would allow us to have a little bit cheaper rent. The rent there

is very expensive. In addition, we don't have the support we need from the local area network, mail services and that type of thing. So it would be much more convenient to have it relocated to a state building.

In addition, we created a new website that's been hosted by the Department of Consumer Affairs. It was created by the Office of Information Services and I'd like to thank Vicky Kenlyn (phonetic) and Abby Branch who were instrumental in getting that launched for us. We have the new address as imreview.dca.ca.gov. In addition there's an email there.

I also want to thank BAR, specifically Tanya Pendleton and Brett Scott, because they were instrumental as well in getting the information at the old website at BAR to the new website with DCA.

And finally, we've been updating the email or the mailing list for interested parties. There's a Government Code that requires that we update that annually. I don't think it's been updated for a number of years. There were approximately 500 interested party names on that, and according to the law, we're supposed to request that they send us a postcard or some confirmation that they want to continue on that list. We now have about 120 responses.

In addition to narrowing the field, if you will, we've also requested they give us an email address if they have one

available, so out of the the 100-plus responses we've had, about 98 percent are email. That further reduces the cost by about \$250 per month for this committee.

And that pretty much concludes the report.

CHAIR WEISSER: Well, thanks Rocky. I was really impressed by how quickly you were able to get the website set up and move it over. We've heard many times from the public the desire to see that website as kind of an independent function. I'm pleased you were able to get it rolling.

It's particularly timely since Katherine Shipler, who is the director of the California Technology Trade and Commerce Agency, has joined us in the back, and is part of the Governor's office, so I'm sure she'll be pleased to see that state government is moving efficiently in these areas.

Are there any questions from members of the committee to the executive officer? I think it would be a good practice for us, at least initially in the next several months to include on our agenda a report from Rocky so we can get a sense of what he's doing during our off time, particularly now so as we enter into, I think, what will become the meat of the committee's work, and that is coming up with our report and recommendations associated with the statutory requirements laid on this committee.

I see a hand in the audience. I'm not sure it's appropriate at this point in time for a question, but I'll make an exception in this case, so please come up. If you could bend the microphone back towards you and you could hit that button. Very good.

MR. PETERS: Yes, Chairman Weisser and committee, it's very nice to see that you've finally got some help to have somebody here that's here every day and helpful to the committee. I just had one thing that's not really a big thing but I thought I would mention that I feel and have stated to the committee over time that this committee, I'm very supportive of it being independent, and the fact that the website is being provided by DCA, I would prefer the consideration that that be an independent website to separate the committee from direct association and control by other entities would make sense to me, so I just wanted to make that comment.

CHAIR WEISSER: Thank you. Mr. Armstrong.

MR. ARMSTRONG: Yes, my name is Larry Armstrong, I operate some automotive tune-up shops in the Bay Area, participate in the California Smog Check Program. Just a couple of comments about Mr. Carlisle, if I may.

Back in the old days when Mr. Carlisle was still employed as a technician in the industry, we had him do some training for us that I was very pleased with and thought he did a

good job in that arena. In the other arena I've got some concerns, so I just wanted to express them.

In the roll-out of the Enhanced Smog Check Program into the Bay Area, Mr. Carlisle was the lead man at the presentations that the Bureau of Automotive Repair made, and as close as we really got, I think, to the industry being made aware of what was going on and what was going to happen was Mr. Carlisle ridiculing me as I was making a presentation that described what was going to happen as what was described in the law, so I was very concerned at the time because it seemed like the Bureau of Automotive Repair was not being real forthright as to what was going to happen, and so unfortunately I bring some of those concerns forward.

And I'm going to have some questions as to the loyalty of the new executive officer, and I hope that you folks do, too. I'm not making a personal attack, but I feel like I should make those concerns to you folks. Thank you.

CHAIR WEISSER: Thank you, Mr. Armstrong. Are there any other comments from the audience? Thank you.

I'm so tempted to respond to Larry and your non-personal comments.

MR. ARMSTRONG: Bring it on.

CHAIR WEISSER: But I think I'll pass. I think what's best is for us to see how we perform and how our executive

officer performs in trying to meet the challenges that face us. You've been, I think, by and large a constructive part of this process in terms of sharing your information, and I'm looking forward to hearing the questions and comments that you have in the future. I'll just leave it at that.

- o0o -

Well, ladies and gentlemen, for the year or so that I've been on this panel I've been talking about the long delayed report due from the Air Resources Board and the Bureau of Automotive Repair required by statute to review the program and come forward with recommendations on improving the program. As you know, we've been awaiting this report, because it's based on that report that much of our work, we decided, will flow.

That report, the deadline associated with that report kind of remained the same over the last year, it was always next month, and I'm here to report to you that next month has still not arrived. What we will be receiving today, however, and I'm very grateful for this, is a verbal and PowerPoint presentation on discussions of the findings of the research that have led to the report. The report, as I understand it, has been signed off by the California Environmental Protection Agency, whereas the Consumer Affairs Agency is still conducting a last review.

And I might add that this is not surprising considering the transition that took place in state government starting last

November. New administration certainly needs and deserves an opportunity to review each and every report before it comes out under its imprimatur. But I am very pleased with the leadership of both the Air Resources Board and the Bureau of Automotive Repair on their willingness to present to us the background and the findings that ultimately have led to the recommendations contained in the report. I'm confident that we'll be actually getting a physical copy of the report, once again, within the oft kept deadline of next month.

And I think what we're going to try to do today is to hear the report, and I would suggest that we try to hold questions until the conclusion of the presentations to us, unless the questions are so biting and so timely that we need to interrupt the presentation, so I'm going to ask members of the committee to take notes on questions that they're interested in returning to and to keep in mind that the probably highest and best use of our time today will be to identify areas that we're most interested in pursuing and investigating, and to start making consideration on how we should organize for the review of the report and the development of our independent analyses that will lead to our preparation and presentation of the IMRC independent recommendations to both the administration and the Legislature.

Are there any questions or comments before we start off? Now, the agenda indicates California Air Resources Board presentation, but I believe actually the presentations today will include comments from both the Air Resources Board and the Bureau of Automotive Repair. So with that, I will ask the state agencies to designate whoever is going to be first, and I will duck out of my chair so I don't get blinded by Mr. Cackette's PowerPoint once again.

MEMBER SKAGGS: Mr. Chairman, could he identify his title?

CHAIR WEISSER: Yeah, we'll ask all the presenters to identify themselves both by name and title and organization. Thank you, Mr. Skaggs.

MR. DORAIS: Good morning, Mr. Chairman, members of the committee. I'm Patrick Dorais, Chief of the Bureau of Automotive Repair. (Inaudible) which I'm happy to give this introduction, and I will keep it very brief.

We're pleased today to give an overview of the Smog Check Program evaluation report, which contains a number of program improvements, as the chair noted, specifically required in statute. The overview today will be provided both by Mr. Tom Cackette, Chief Deputy Executive Officer for the California Air Resources Board, as well as David Amlin, the Chief of BAR's Smog

Check Engineering Branch. And Tom has another individual with him from the Air Resources Board.

Again, we are glad to be able to finally give an overview, a long-awaited overview of this report, and hope to have a draft to the committee very shortly. Thank you, and we look forward to any questions at the end of the presentation.

MR. CACKETTE: Good morning, I'm Tom Cackette and this is Dave Amlin from the Bureau of Automotive Repair. This is John Taylor. John at the Air Resources Board has done a lot of the analysis that's in this report, he and the staff, and so I wanted him to be here since he's one of many people who have done the work that led up to the slides and findings that we'll share with you today and recommendations that we'll share with you in the report. We're going to do this as hopefully a seamless tag team presentation here. There's about 50 slides so I think it's going to take a good chunk of an hour to get through this. If we lose you or you get bored or anything and we need to go faster or slower, please do interrupt so we can be as responsive as possible.

[start slide presentation]

Let's start off with just a tiny bit of history. You should all have copies of this. Start off with a history of why we're here.

The statute's a little bit convoluted in that it has three different reports that are due, and I guess I should have written overdue since they all happen to coincide with January 2003.

First one is the report to the I&M Review Committee. I'm giving you the references here to the code. We're to look at the emission reductions from the program, the impact of exemptions. This was particularly triggered by the recent exemptions of four years and then possibly five and six-year-old vehicles from the program, as well as some legislative action that exempted older vehicles from the program. And in all of these reports we're asked to make some recommendations for improving.

The second report is actually a report for the Legislature, and it was directive and modification to improve operations, lessen the impact on consumers, and to achieve emission reductions needed by the Clean Air Plan of the state.

And then the third report is a report to the Legislature, another one, and this one you won't find in your book, it's in an uncoded section 15, but we were to look at designing a new program and submitting a plan to the Legislature for an overhaul of the Smog Check Program. We were to do that after we submitted it to you for review as well, so you're involved directly in two of these reports, and we thought that it

made administrative sense since the dates for these reports all coincided at the same time to be one report, to submit that entire report to you before we submitted anything to the Legislature, and then looking for your feedback and the feedback from the public through the process that you have established.

So that's the reports that are due.

[new slide]

This is an overview of what we're going to talk about today. First we're going to give you a brief summary, particularly for the new members, of the evaluation of the Enhanced Smog Check Program which was done in July 2002, because that report led to a number of improvements in the program. We'll talk about what those improvements are, the ones that have been implemented, how well they're doing, and then we'll share with you the meat of the presentation, which is a current evaluation of the Smog Check Program. And when I say current, this is done based on data that was collected in late 2002, so it represents kind of the 2002 calendar year, even though we're now obviously a few years beyond that. We'll look specifically at the emission reductions achieved and what kind of further improvements of the program are possible.

[new slide]

Let me just give you a brief summary of what we found in July of 2002, because this is what we're building on.

First of all, we found that the program was working well, but not as well as it should be, and was only getting about 60 percent of the emission reductions that we believed the program was capable of and which we had committed in our State Implementation Plan – for those of you who are not familiar with that, that's a legally enforceable document enforced by citizen suit or by EPA, and we take very seriously that what is in that plan gets implemented. That plan's goal is to show how we're going to have clean air in California, and as we laid out in that report and will mention again today, Smog Check is a very big part of that effort to get clean air in all of the non-attainment or highly polluted areas in California.

We looked at why we were getting 60 percent and not 100 percent of the emission reductions that we were expecting, and there are three reasons listed here. First of all, at that time the enhanced program had been rolled out over a fairly long period of time to make sure that there were not unexpected problems and unexpected impacts on consumers, and as a result, not all of the program elements, the features of the Enhanced Smog Check Program were in place at the time of this report. This report looked at data from 1999.

Also, the State Implementation Plan or Clean Air Plan assumed that certain vehicles were in the enhanced program that in fact had not been added to the enhanced program, so we have

fewer vehicles going through this program than we had anticipated in 1994.

And then finally, the Legislature made some changes to the program that reduced its effectiveness. In particular, they changed the exemption for older vehicles from pre '66 models to a 30-year rolling average, and that excluded vehicles from the program, and this was in 1997, so the sphere of vehicles subject to the program was trumped by the Legislature compared to what we assumed in 1994.

So, with that situation of having a shortfall, we looked at what could be done to improve the program, identified a number of improvements, laid out the timeframe they could be implemented in and sent a letter to the USEPA, which enforces our State Implementation Plan, telling them that we would go ahead and implement those.

[new slide]

MR. AMLIN: Dave Amlin, Chief of Engineering and Research Branch for the Bureau of Automotive Repair. Also, just for the record, I have some of my staff here that did some work on this. Behind me here is Kathy Runkle and to her right is Lucy Galvan. Kathy is the manager of the program evaluation section and oversees the researchers and analysts that did a lot of the work on this report.

Getting back on the program improvements, there were a number of things that we've implemented since the last program evaluation based on the recommendations that were made, and one is more stringent cut points. Cut points are the pass/fail decisions where we make determinations for vehicles on the loaded mode test. We have lots of acronyms in here and I know we have a couple of new members, so I'm going to go ahead and try to explain some of those.

The next one here is what we call ASM, accelerated simulation mode. It's a steady state loaded mode test. It is the test that's done in the enhanced areas of the state and it measures HC, CO and NOX at two different speeds.

At the beginning of the program when we implemented loaded mode testing back in 1998, we started off with very lenient cut points, so there was a time period for the stations and technicians to adjust to the new test and also not shock the system. So from that point we went through a series of phases through the cut points from what was very lenient down to the levels we have today, which is a level we kind of call SIP-like cut points, the cut points that were anticipated in the State Implementation Plan in terms of the levels to identify vehicles with emission defects. So we've been through that whole series of phases and we are now at what we would call our SIP-like cut points.

[new slide]

We added ESM testing of heavy duty vehicles. Before, I think that the loaded mode testing was just for vehicles up to 8500 gross vehicle weight ratings so that covered some of the lighter duty trucks. However, in the past that covered a lot of the vehicles out there in terms of trucks and sport utility vehicles. Since then, the vehicle manufacturers have some (inaudible) by safety, fuel economy standards and even some emission standards by making their vehicles a heavier rating, so consequently there was a growing group of vehicles that were not covered by the loaded mode test, so we went ahead and developed cut points and test procedures for those vehicles and we integrated that into the program, and that's gone well, and that covers vehicles from 8500 up to just under 10,000 pounds, 9,999 GDWR, and so that's an element that's been implemented.

[new slide]

We added the liquid leak check. There have been a number of studies about emissions from vehicles, and while the tailpipe is one source everybody thinks of first, there are other sources of emissions from vehicles that are significant and those are evaporative emissions. And then more specifically there have been studies on liquid leaks. That's places on vehicles where (inaudible) leaks fuel, and those emissions are very high in hydrocarbon emissions.

And so in recognizing that, we did some studies and looked at the contribution and if that would be something we could implement into the program, and found that it could, and added a visual check for liquid leaks primarily under the hood to look if there's anything from the pressurized fuel side on down, if there are any leaks that would cause the vehicle to fail. That's found a lot of cars whose emissions contributions were very large.

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Another thing we said that we would do is a low pressure fuel evap leak. Right now we check the fuel cap and we do a visual check of the system, but we don't actually do a pressure check of the system to see if there are any leaks, and that's something that we have been working on and I think currently we have some prototype devices at the bureau that we're evaluating and we'll be testing in the next couple of months. Our intention is to certify those systems and enhance the program with a low pressure evap check.

And again, pretty significant emissions. Primarily, that's older vehicles of about ten years and older that have a higher failure rate. I think collectively when you count fuel cap, liquid leak and low pressure evap, emission reductions that are possible out there is that that may be the dominant source of

emission reductions in the future when all those are in place, for hydrocarbon.

[new slide]

Standard and enhanced areas. There's a provision that allows air districts to go ahead and request that they have an enhanced area in their region if they need that as part of their effort to go ahead and meet emission reduction goals.

In addition, there are some areas that have growing population and have met the urbanized requirement that mandates that they become enhanced, and so there was a program improvement that addressed both of those and we've done major expansions throughout the program to go ahead and pick up those areas. That's also allowed us to be able to bring in the Bay Area, and technically I think that's about six million vehicles now that we've added the enhanced element of Smog Check.

CHAIR WEISSER: Dave, I'm going to interrupt you for a second just to get on the record that Member Pearman has arrived. He had a conference call on a court appearance for a client that he needed to handle. Welcome.

MEMBER PEARMAN: Thank you.

CHAIR WEISSER: Please continue, Dave.

[new slide]

MR. AMLIN: We also (inaudible) USEPA to go ahead and direct more vehicles to test-only, and that has (inaudible) about

20 percent to 36 percent. I'm sure it will come up as comments later. The way we measure that in that percent is one number over another. What we do is take all cars that are the oldest in the program through the newest, even though some of the newest were exempt from the biennial program (inaudible).

Just to anticipate that one, it's when you look at the whole fleet for the whole state you'd say that the percentage of vehicles that are directed to test-only for the whole state, it's maybe about 16 percent. If you look at the enhanced areas, it's probably somewhere around a third of the vehicles that are tested, or people say but of the ones that come up for biennial renewal it's probably close to half.

And so, again, you can come up with all the percentages (inaudible) would say the percentage over the number of people in California is probably 10 percent. We could come up with a number for everything, but bottom line is we're just trying to pick something stable that we base it on and that's what was done, so that is how the number of vehicles in this case are '75 and newer, or '76 and newer now because we've rolled over another model year.

[new slide]

And the other thing is that we said we'd go ahead and do a pilot study of remote sensing. We made a commitment that we would go ahead and do remote sensing in Smog Check and launched a

pilot to identify the best uses. That's something that's underway.

We have a contract in place for a joint study between BAR and the Air Resources Board, and the contract was put in place last summer. BAR took the liberty on 15 remote sensing units late last year and we are currently out on the road and both our teams are being operated by BAR and ARB, and we have teams out there collecting remote sensing (inaudible) that may be out there. Our goal is to go ahead and collect between one and two million records and there's a number of objectives in that study to go ahead and look at clean screen, idler identification and program evaluation.

CHAIR WEISSER: David, before you move on, I'll take the liberty of interrupting again. At the beginning of your presentation you made reference to this and there was a PowerPoint slide that said since the 2000 evaluation these are improvements or program enhancements that have been put in, but when you began your presentation you made reference to a 2002 report, or did I mishear you? Maybe this was you, Tom. Does all of these things come out of the 2000 report?

MR. CACKETTE: These all come out of the 2000 report.

CHAIR WEISSER: Thank you.

MR. CACKETTE: The only reference I made to 2002 was that for the 2004 report the data that we collected on evaluating these improvements was collected in 2002.

CHAIR WEISSER: And in other words, the recommendation to look into remote sensing was included in the 2000 report, and we've started now the remote sensing now in 2004.

MR. CACKETTE: Yes.

CHAIR WEISSER: Thank you.

MR. AMLIN: I should say we didn't actually start testing last year for remote sensing, we're just currently in the process, so if we're splitting hairs we'll call it 2003.

[new slide]

This is just a time line here to go ahead and show some of the time periods that these improvements and activities occurred. We see going back with the report evaluation. Here's our letter to USEPA. This is where we started some of the cut points phase-in. This is where we started the liquid fuel leak. This is just kind of in general just over a period of time that we added on the new areas that started, I guess in 2002 and went through 2003 as the phase-in.

When we began the phase-in of the Bay Area that's the largest area and that's about 4.8 million vehicles and it started in July when we had the first phase of switching over the analyzer, and then in October we went ahead and went to the

loaded mode testing, and then we phased in the cut points to the Bay Area over a couple months time period.

So there's a lot of activities that aren't shown on here. We have more slides and tables and you can go ahead and see that shows there were a number of phases, probably more than ten.

[new slide]

This is where we're going to achieve the 36 percent for the test-only. This is where we were pretty much done with the NOX cut points, getting the NOX where it was and then we went ahead and went to the final phase-in on that was done on the NOX cut points in 2003.

May of 2003 is when we did heavy duty trucks. The bottom of this is all the air districts, San Joaquin and Central Valley, that was probably the second biggest region of expansion of the Smog Check Program. Sacramento, Vacaville, Ventura, those were relatively small (inaudible). The really biggest ones were the San Joaquin and Central Valley and Bay Area Air Quality Management District, and the most recent was El Dorado.

Collectively, like I said, about six million vehicles were turned to enhanced. That's not new cars doing Smog Check per se, these were already biennial areas, so we didn't change to more people getting Smog Check but people are getting a better

test that's more meaningful and higher emission defect identification rates.

[new slide]

Heavy duty, remote sensing, that's when we got the contract, so you're able to get a little bit more of a sense of all the planning and all the coordination (inaudible) there's a lot of things to do for that.

And we finally drafted our evaluation report, and trying to get it approved through the process is a challenge. We almost squeaked it out before the administration changed and then they said we'd better wait for the new people who come in to decide on that.

And then we're trying to get the pressure test implemented in 2004.

[new slide]

This is just a map of the areas of the state to give you some idea of the different program types that we have. We've got things that were already enhanced prior to the expansion. Then we have areas that came in as newly enhanced that we talked about in the previous slide like the Central Valley and Bay Area and so on. Then we have basic. Again, those are biennial testing areas where we had a two-speed idle test. Then we have change of ownership areas that have attainment status and the

only thing that they require is inspection on change of ownership, the basic PSI test.

Again, you have lots of area that is change of ownership with very low population, and we have quite a bit of area in the blue that is basic, but again not a lot of population. In terms of giving you an idea of where we're at, it's about 88 percent of vehicles are now in enhanced areas, 3 percent are change of ownership and the remaining approximately 10 percent are basic biennial areas.

[new slide]

Some other improvements that we've put in place since that time.

Gold Shield Program. There were a number of pieces of legislation that were sponsored that identified Gold Shield and we had different kinds throughout the state. It's kind of a confusing program. We had a Gold Shield guaranteed repair where all you had to do is go ahead and essentially guarantee your repairs would last, (inaudible) I guess requested by the industry for a rather short period and that they would guarantee that the car would pass long enough to (inaudible) test-only (inaudible) ten days, so it was pretty limited.

Then there was another Gold Shield program for stations that have a higher level of qualifications and those other official things that they could do.

There were a number of different programs, it was kind of confusing, and there was a time period by which we had pilots and we tried a number of things during those pilot programs to make improvements. And then in July of last year we went ahead and made that a formal part of the program and that's a regulatory process to identify a single type of Gold Shield station that would have an expanded level of services. They can go ahead and certify vehicles that were originally tested at test-only. They can certify gross polluters, and they can also go ahead and provide repairs through our repair assistance program, which has two levels, one for low income and another one for vehicles directed to test-only, so they can provide all those services and it's kind of a one-stop shopping, and that's what was just put in place now.

[new slide]

We have a number of programs. We do outreach about Smog Check, and in particular we try to go ahead and do some things to outreach the low income motorists. We've had some PR campaigns overall, we have some direct mailers, particularly like in the Bay Area to go ahead and introduce people to the program and some of the elements that it has and things that are available in terms of repair assistance. We also provide some information through the DMV notices.

And then we've also done some things where we've worked together with the Air Resources Board to go ahead and target specific communities that have poor air quality and some low income motorists out there who have gone out and joined in on some community events and provided some either information or retests or be allowed to go ahead and take their vehicles to a referee at no charge. We've had a number of different programs. Some people have brought out mobile dynamometers and provided loaded mode testing. In other cases (inaudible) testing.

We're going to go ahead and have more things with the remote sensing pilot program. That's one of the elements of that schedule that we're going to go ahead and go to some of those communities and provide remote sensing in those regions and provide additional information to the people in those areas.

[new slide]

We've also done some work at Tijuana. As you probably know, there's a lot of traffic that comes across the border into San Diego, and also there's probably just the fact that it's so close to the border of California that (inaudible) so we've worked with the city of Tijuana, I guess over a period of time as they've gone through a lot of administration changes themselves to try to help them set up a Smog Check Program in that area. We provided emissions analyzers for them to get them set up, provided training and assisted them in the design and

implementation of the program, and that's something that's been in place since the middle of last year.

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Tamper Detection Certification Program, (inaudible) California Air Resources Board. We work with law enforcement agencies and we go ahead and provide training for them to go ahead and actually do some inspection so that they can go ahead and determine if vehicles are tampered they can issue citations. They've matched with some of their programs where they monitor and try to deter street racing and so on.

In some cases we actually go out there jointly with them and assist them in the inspections and identify tampered vehicles. We assist the officers, they can issue citations, and then those vehicles are required to go to the referee and have the vehicle's citations cleared.

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We have a continuous testing pilot program. We have a system that was a first result system called (inaudible) and there are some other providers out there. It is a telemetric based system that plugs into the vehicle's on-board diagnostics. That essentially means that if the vehicle has its on-board computer that monitors the vehicle's emission control systems in 1996 and newer vehicles, this system plugs into that and has a wireless telecommunication system that transmits that data on a

frequent basis and whenever any program goes wrong it'll go ahead and send it right then. It'll send this information to a centralized database that will go ahead and track these problems on vehicles and monitor to see that those problems are fixed in a timely manner.

(Inaudible) over 1,000 vehicles that are in that program now. A lot of them are targeted (inaudible) fleets and high mileage fleets. I think that it's provided some very useful information, particularly for high mileage vehicles because they have a lot of defects occur frequently, so it can identify problems timely and ensure that those vehicles are repaired.

[new slide]

Quality Assurance Program. This is some of the other things that BAR has done in the past is that they've expanded the quality assurance program and the field staff would go out and do regular inspections of Smog Check stations. They attempt to go out twice a year and inspect the stations (inaudible) that have some performance issues that we see through the data. They go ahead and actually monitor and evaluate the on-site evaluation of the diagnostic and repair procedures that they're following, and the stations that don't have good behavior of stations or technicians, they go ahead and assist them in providing information on how to better diagnose and repair vehicles.

[new slide]

The items that I guess we're going to go ahead and cover in the updated program evaluation. We looked at emission reductions from the current program through the year 2002. At some point we had to go ahead and cut off the time period which is the data we were going to go ahead and evaluate.

We've been continuously testing on the roadsides doing our loaded mode roving test program out in the field since before Smog Check began essentially and getting into that time period, and that's one of the sources of data that we used to evaluate the program.

We looked at in addition there were efforts to go ahead and look to the future, because some of the elements that we have committed (inaudible) place in time that would effect the data that we see on the road or through Smog Check such as like the Bay Area. That's a large portion of the state with over 22,000 vehicle population, but it wasn't implemented at a point where we could include it in this evaluation, so we know we'll have the benefit of that process, so there's some projections through 2005 and 2010, so those are some of the time lines that the regions have for quality attainment.

[new slide]

Also have the impact of five and six model year exemption, there's a report on that and we've covering some of

that in this report. The report makes recommendations that will address that in this evaluation.

[new slide]

We looked at cost effectiveness, we looked at the SIP, the State Implementation Plan targets, looked at some other potential improvements to the Enhanced Smog Check Program and summarized those results.

[new slide]

Okay. Two primary methods that we used to go ahead and look at the roadside pullover program and see what the actual effect is to the fleet. And then the other was to go ahead and look at impact and model year of the fleet, and that was useful in assisting in preparing the evaluation of roadside data and also SIP projections in the future.

[new slide]

I know we have some new members and I'm sure not everybody's aware of what we do. We actually have teams of people that rove throughout most of the enhanced areas of California with portable dynamometers and loaded mode testing for selective testing at Smog Check stations that is using essentially the same equipment. And we'll go ahead and have the California Highway Patrol. In this case you can see a highway patrol vehicle is out there. We'll actually have them randomly wave in vehicles for testing and then we test a random sample of

vehicles pulled over through a computer program and then decide the ones we'll go ahead and test, put them on a dynamometer and go ahead and test them and that's used for our independent assessment of what's going on out in the field.

[new slide]

Here's a side view of that. That's a picture of the kind of setup where the motorists are going to come through, the highway patrol waves them over and we'll go ahead and have the computer here and check them out and see if they're going to be part of the random sample, and if so then we pull them forward.

In some cases we've done some studies where we've actually had remote sensing there to go ahead and quantify some emissions of the vehicles that were tested versus the ones that were excused, and they found that a good sample and wasn't some type of significant bias in the vehicles that were let go.

CHAIR WEISSER: Dave, let me interrupt and ask a question. The background that you're just giving in terms of trying to ensure that the survey sample was in fact reflective of the fleet as a whole, details associated as to where these tests took place and how that sample was constructed will be included in the report or appendices, is that true? If not, we would be able to access them one way or another?

MR. AMLIN: Sure. I think we went through a lot of the details in the previous report and I don't think that we

replicated all that in here in terms of the roadside data and the sites, that's information that we keep from the report but can be made available as needed.

In this case the more recent data we didn't do the remote sensing. We will actually have some of that remote sensing study because we're going to have a number of setups. Some will have remotes set up by itself and then we'll actually have remote sensing set up in conjunction with the roadside testing (inaudible). But we'll make the information available in terms of the sites and locations and data that we used for the study.

[new slide]

MR. CACKETTE: With this data that's been collected over the past years we performed an emission analysis to determine how effective the Enhanced Smog Check Program is, and what we did is we took -- during 1999 about half the vehicles on the road had not gone through the new enhanced program and the other half had, and the roadside pullover that Dave just described to you was used extensively to gather information on vehicles.

We found about 5,000 vehicles that were pulled over at the roadside that had not yet received the enhanced Smog Check, they had the basic Smog Check, and we used that data in the original report to establish our baseline, one which we could

then compare cars that had gone through the enhanced program and see what the difference was.

Now we don't have another opportunity to find cars like that because they're now all on the enhanced program, and so we took the data that we had from 1999 and we adjusted for age and deterioration and other things like that using the emission model and adjusted it out so it represented 2002 year as though all those cars had not been through an Enhanced Smog Check program. Then we looked at the newer data that's been collected, which were about 4500 vehicles that hadn't received an enhanced Smog Check by 2002.

So this was basically during the 2002 calendar year, and we looked at the emissions of those, and if you take the two groups and align them so they'd represent the same kind of cars and compare them, you should see a difference in the emissions. The enhanced group should be cleaner than the basic group if in fact the enhanced program is working.

So we have these data, they're measured in concentrations and parts per million is what's actually measured in the test when you go to a Smog Check station, same thing that was measured at the roadside. We converted that to exhaust emission rates using years worth of data that had been collected, so we actually have the data in grams per mile, which is what the car puts out driving along the road.

[new slide]

So now we get to the results, based on the roadside data showing three things here. On the first line is the emission rate from the 1999 cars adjusted to 2002 representing what we call the basic program, and you can see the emission rate of three pollutants of concern.

The second line presents the data from the 4500 cars which had gone through at least one cycle of the enhanced program. You can see that their emissions are lower, and the percentages are listed down below, 15 percent lower for hydrocarbons, 14 for carbon monoxide and 9 percent for oxides of nitrogen. In the rest of the presentation you will see that we don't pay much attention to CO because most of the state is in attainment. What we consider of concern are HC and NOX, which are the two groups that form together to make summertime ozone. So that was our one look at the program.

[new slide]

Now, we wanted to have a check to see whether these actual on-road data agreed with our emission model, because the emission model has to be used for things like projecting to the future and making other adjustments to the program and we wanted to see if the real data validated what we have in the model. The model, I should say, is based on real data, not necessarily the data you see up here.

So we went ahead and calculated the emission reductions for the basic program. The model is such that you can put in certain program designs, not every one but certain design features can be put into the model and it will predict what the emissions of the vehicles undergoing that type of Smog Check program are, so we do that for the basic program with the two-speed idle test and we did it again for the enhanced program using the dynamometer test, took the difference and came up with the benefits. And we also then, as you'll see, subsequently can use that to project into the future because cars are changing and they're getting cleaner and we want to know what the benefits will be in 2005, for example, or 2010 when many of California's areas are supposed to have clean air.

[new slide]

So here's the results from the modeling exercise. Same thing. First line is the basic program, second line is the enhanced program, and the third line is the percent of reductions. You'll notice two things; the percent reductions are pretty similar, and I'll show that in the next chart. You'll notice also that the model predicts the emissions to be a little higher than we actually found on the roadside. It's the difference here that we're looking at to see whether the enhanced program in fact is better than the basic program we had before.

[new slide]

If you look at the next chart it will show the comparison. You can see they agree pretty well, whereas the roadside data said we were getting 15 percent hydrocarbon, the model says we're getting 13 percent, so forth and so on. Given that these are two very different approaches using two completely different datasets, we conclude this is pretty good agreement and it essentially validated in our minds the ability to use the vehicle model to go ahead and project things into the future.

Some of the program improvements that Dave said we have implemented now that weren't implemented in 2002. And more importantly as we get to our list of future improvements to the program, we use the model to try to characterize both their benefit and the cost effectiveness of implementing further changes to the program.

MEMBER SKAGGS: Mr. Chairman.

COMMITTEE MEMBER: Vic, could I ask, I think it's a clarifying question. These are averages across the whole fleet.

MR. CACKETTE: Yes, in the enhanced areas.

COMMITTEE MEMBER: In the enhanced areas. And partially you would have found how many individual cars were affected by enhanced versus the basic program, right? So is it that 5 percent of the cars were found and a huge change was made for them to get a 15 percent reduction, or was it that 80 percent of the cars have a small reduction that averaged 15 percent?

MR. CACKETTE: The failure rate is about 15 percent, so first of all, 85 percent of the cars emissions don't change at all, they pass the test.

COMMITTEE MEMBER: They would have passed both tests, right?

MR. CACKETTE: The other roughly 15 percent are the ones that got repairs and create the reductions. These reductions are for the fleet as a whole, so it's 85 times zero and it's 15 percent times the reduction for those vehicles, which is the fleet average reduction.

[new slide]

And for those that have a sense of tons per day, which in our trade is the unit that we use of measuring pollutants, we present here what the ton per day numbers are for these pollutants.

You'll notice in the title that we've done something else. The roadside tests only looked at exhaust emissions and an under-hood inspection, they did not include a test of whether evaporative emissions were included, and elements of the program are designed, like the gas cap check, to improve the evaporative emissions. For anyone who's not familiar with that, that's the basic boiling off of gasoline that leaks out of the fuel system, the carburetor, the fuel injectors, et cetera, and there's a control system that's supposed to capture it on vehicles and it

tends to wear out or break down, and so we do a test to see if we can find those cars to get fixed. So that's been added in using the emission model here for 2002.

[new slide]

And I wanted to put this into context, these numbers. Again, ignore the CO.

In our current Clean Air Plan which lays out the steps that we need to get clean air in Los Angeles and the rest of the state, we are looking for emission reductions that are the size of one ton per day.

This program here – and these numbers, by the way, include the entire program and not just the increment for basic, but these tons include all of Smog Check. You can see that it's probably one of the biggest emission reduction programs we have. This is as big as all the nozzles that you see on the gas stations. It's as big as the effort to completely reformulate all the gasoline sold in the State of California. It's bigger than the infamous low emission vehicle program that the cleanest cars in the world are now being sold in California by a factor of several times.

So these are big reductions and we're out looking for something between one and ten tons, and most of the things we've found in the last few years have been twenty, ten, five tons, so the conclusion that we've reached and why we pay so much

attention to this program is, a small improvement of the number adding the HC and CO together is over 300 tons; 10 percent improvement is 30 tons. That's huge when we're looking at scraping the bottom of the barrel to try to find those lower emissions.

CHAIR WEISSER: Tom, Member Skaggs has a question.

MEMBER SKAGGS: Yes, Mr. Cackette, I know that in 1999 we had a presentation by Dr. Kosar (phonetic) of Home Star (inaudible) at the time, (inaudible), along with Charlie Peters, who recommended, since the Air Resources Board in fact tested the product on diesel and Mr. Kosar had several documents showing that we could reduce tonnage in California with this product, then Chairman Len Scarff and our committee asked questions of you about why couldn't we have a pilot program using remote sensing, using the baseline, then either put any kind of additive that the Air Resources Board has tested and that shows possibility that we can clean up the air in California at a cost-effective way. He made a whole day presentation on that and I think he met with you a couple times.

I don't see anything up there about that product that the taxpayers paid almost a half a million dollars to test. I know it's on your website, but again, I know that Charlie Peters and Dr. Kosar and other people made a presentation, and then we said if we're digging the bottom of barrel, as you put, and we're

trying to find one pound, I would like to know why we then didn't do something that was tested by the state and that has positive (inaudible), if you can answer that why it's not in that report.

MR. CACKETTE: All the cars that are in this study are gasoline powered cars, and the product that you are referring to was generally produced for use in diesel cars, so it's not relevant to this program here.

MEMBER SKAGGS: Well, that's not true because they made the presentation with gas, and Charlie Peters is right behind you. They made the presentation showing reduction in gasoline from the military, from the City of Los Angeles and other documents that they gave you a copy of that and I'll be more than happy to give the committee the same documents that we gave to you, because we were trying to find anything, and Len Scarff made the statement, you know, that if we can find anything, we should look at it, Mr. Chairman.

CHAIR WEISSER: Let me interject here. These are good questions, but I think that what we need to do is continue the report and perhaps deal with questions like yours when we figure out how to organize our committee review. One element of our review might be on looking at how the agencies look at new technology introduction and that sort of thing.

MEMBER SKAGGS: Well, what I'm looking at, Mr. Chairman, is that if we can (inaudible) by the remote sensing

getting the pollution credits, if we have the private sector out there who's coming out with new ideas and spending their own money and they bring it to an agency and then that agency spends \$300,000 of taxpayer's money, and if we have a simple way to clean up the air in California, if it works, then we should look at that, and that's the only thing I'm pointing out.

CHAIR WEISSER: Thank you.

MEMBER SKAGGS: Thank you.

CHAIR WEISSER: It's 10 of 11:00. What I'm going to suggest to you, Tom, is that you try to find a place that makes a logical break point in order to give members of the committee and the audience a chance to make phone calls and other important things.

MR. CACKETTE: I think there's one in about ten minutes, would that be appropriate?

CHAIR WEISSER: Ten minutes or until the time is right.

MR. CACKETTE: All right.

[new slide]

These BAR charts attempt to show you graphically the difference between the basic and the enhanced programs. We ran a model pretending that these areas would have a basic program in 2002, and then we ran it again for the enhanced features including all of the ones that have been implemented, some of them not till 2003 or 4, but the ones that are impacted

represents the current program, that's the middle bars. Excuse me, no, that's not. Improvements are not included in the middle bars. And then on the right-hand side we've got all of the improvements and the addition of those six million cars, so the right-hand one for 2005 is an attempt to represent what we're seeing this year or next year.

And you can see that there's a big difference. The enhanced program that was in place in 2002 did not include all of the improvements, but still way more than the basic program. And then based on, again, the full package of enhancements plus the addition of six million additional vehicles.

CHAIR WEISSER: I want to make sure this is clear, because I'm a little bit confused. Are you telling me that in 2002 the Smog Check Program statewide would have generated 50 tons plus or minus of HC and NOX in emission reductions from (inaudible), that's the question.

MR. CACKETTE: If you look at the first bars, that's the 50 and the 50 roughly. That's the basic program at that time representing about 65 percent of the cars in enhanced areas, so just the enhanced area part as if those cars got all test-and-repair, simple idle test, simple under-hood inspection, if that's all that was happening to them, that's what the tons would have been. That's not what was happening to them, but it's an example of —

CHAIR WEISSER: I understand that. You're projecting this is what would have been.

MR. CACKETTE: If we had never enhanced the program. Then the middle one is -

CHAIR WEISSER: So excuse me. If you had no Smog Check Program whatsoever.

MR. CACKETTE: No.

CHAIR WEISSER: Let me finish.

MR. CACKETTE: Yes.

CHAIR WEISSER: If you had no Smog Check Program whatsoever, you would have lost approximately 50 tons each of NOX and HC.

MR. CACKETTE: That's right.

CHAIR WEISSER: Thank you.

MR. CACKETTE: And the middle one again is in 2002 with the enhancement of the dynamometer test and a few other improvements but not all of the ones that are listed below.

And then the right-hand one has got all of the improvements plus the extra six million vehicles. And I point that out because obviously the numbers are changing here by adding the six million vehicles, but that's what we're getting today, that's part of the enhanced was to add all these extra cars. So again, very large emission reduction program.

[new slide]

What about costs and cost-effective? These are the statistics on the program in the enhanced areas based on 2002 data. We're looking at the biennial cycle, which means a two-year cycle. During that two-year cycle there's about fourteen million cars that are inspected in the program in the enhanced areas.

The average cost of inspection including the certification fee that goes to BAR is about \$54, representing \$780 million over a two-year period. The repair costs of those that fail, \$143; cost for repairs about \$322 million for a two-year period. So the whole program's cost is about half a billion a year, one billion over a biennial cycle.

The tons that we're talking about are tons per day, you multiply 365 times 2 and you get the numbers that are shown there, 200,000 tons of pollution reduced. And when you divide the dollars by the tons you come out with about \$5,000 per ton.

Now, that cost-effectiveness chart is only useful in a relative sense. You have to have something to compare it by, and if you look at the footnote on the slide you'll see that typical other pollution control measures at the state level on vehicles and at the local district levels on stationary sources of pollution tend to run about \$10,000 a ton. Some of them are less, maybe \$2,000, and some of them are as much as \$20,000, but

this one falls in the middle to lower end, meaning this program is very cost-effective using the terms that we've shared here.

MR. ARMSTRONG: What time period is the —

CHAIR WEISSER: Excuse me. We'll wait until after the presentation for questions from the public, Larry.

MR. ARMSTRONG: Thank you.

[new slide]

MR. CACKETTE: I've included this because we made a recommendation and shared our analysis of the five and six-year model year exemption to this committee before, and the new numbers give a brief summary. This has been included in the report, but it will not be new information to you.

There was a bill in 2002 that added the Enhanced Smog Check Program (inaudible), and as part of that bill the Legislature wanted to exempt not current four year and newer vehicles from the Smog Check Program, but extend that to six years. They were concerned that that might have an adverse emission impact, and so they wrote into the bill that the state had to do an analysis and if the Air Resources Board found that there was a significant emission increase, then the extension would not occur.

So we did the analysis, we shared it with this committee, our board met. They determined that in fact the increase was significant, and as a result, the extension of the

exemption to five and six-year-old vehicles did not occur except in the basic areas that are not in a basin that has pollution, which basically means whatever part of California, and these are desert parts and some of the coastal areas, but the rest of the San Joaquin Valley and major urban areas still get inspected (inaudible) fifth birthday.

CHAIR WEISSER: So the exemption does stand for five and six-year-old cars that are in attainment areas.

MR. CACKETTE: Yeah.

CHAIR WEISSER: That's on the basis that cars don't move from one area to another all the time.

MR. CACKETTE: Yeah, and because there are so few in there, it's under ten percent in this category.

CHAIR WEISSER: It's just not a significant number of cars.

MR. CACKETTE: Right.

CHAIR WEISSER: But cars do move, don't they?

MR. CACKETTE: Yes, they do.

[new slide]

And this shows what the logic was. We're going to use this slide a couple times, but it shows on the bottom the number of five and six-year-old vehicles inspected versus the tons that you would lose from exempting them. And up at the top where that

arrow is is the roughly four tons per day that we projected we would lose from exempting those vehicles from the program.

And so there's an example of where the program's producing 300 tons per day. One might say that losing 4 of those is not a very big deal, but from our reference point and our board's reference point of struggling to find 4 tons, not lose 4 tons, and the board decided that these vehicles needed to stay in the program in those areas.

[new slide]

One of the things we agreed to do, and we'll talk about this later, is we thought maybe we could be smarter than just exempting them all at one time. Maybe we could pick out the cars in this five and six-year-old group that are likely to pass, almost guaranteed to pass, and exempt them, and we'll talk a little bit later about how that progress is doing.

Obviously, somewhere down in that five or ten thousand vehicles per month the failure rate is so low that there's very little emission impact, as you can see.

CHAIR WEISSER: Tom, is now a good time for a break?
Hint.

MR. CACKETTE: Yes.

CHAIR WEISSER: Thank you. The committee will take a ten-minute recess.

(Off the Record)

CHAIR WEISSER: Back in order, and we'll ask Mr. Cackette to continue his presentation.

[new slide]

MR. CACKETTE: Thank you. When I started off we talked about our Clean Air Plan called the SIP, and I referred to the program in 2000 and '99 as it was getting about 60 percent of the obligation that's set forth in the Clean Air Plan. Well, these Clean Air Plans get revised every once in awhile and there's been a revision that just occurred last year, and in doing that we changed the commitment for what the program needs to accomplish to reflect the type of program that has evolved since 1994.

And so just sort of for the record here, our new commitment is that we get emission reductions from the enhanced program as of summer 2002, and that's the analysis you see here, that we get all the improvements that are made since 2002, we take credit for all those emission reductions and we also take credit for the improved evaporative emission test which Dave said would be implemented probably in summer of 2004, so that becomes our new commitment. It basically represents what the program is doing or will be doing by 2004 or 5. Kind of the right-hand is what I showed you previously.

But I do want to mention that we are remaining in a significant challenge to find more tons, so further reductions are needed and we comment on that.

[new slide]

This new plan for the Los Angeles area, and there's one for all the areas of the state, but the new one for Los Angeles shows that we need over 500 tons of new emission reductions in order to claim victory and have clean air on all the days of the year for ozone in the South Coast areas, in the Greater Los Angeles area. And so far we've only identified about 160 of those tons (inaudible) 500. So that is another example of how we're struggling to find every additional reduction, and one reason why we are continuing to look at improvements for the Smog Check Program beyond what our new revised commitment is.

[new slide]

Also, the way that the metric for when we have clean or dirty air is defined is changing under federal law, and we will have some new requirements that are coming about which has an eight-hour ozone standard. The current one is clean and dirty is determined based on your worst one hour. It's going to shift to eight hours.

We also have adopted standards for fine particles we call PM2.5 here. 2.5 is the microns, the size of the particle. And these are the particles that kill people. Thousands of people a year in California die because of particulate pollution, and so we're going to have new challenges there and the way that you achieve those is to reduce emissions, and one of those

particles is formed from the gaseous emission NOX, so in the atmosphere it gets turned from a gas to a particle and becomes a serious health concern, very much like a soot particle from diesel. So there will be strong pressure to continue to mine this program for all the reductions that we can get that are cost-effective.

CHAIR WEISSER: Tom, 500 tons of new reductions needed. What's the total inventory that you relate that number to of emissions? An order of magnitude estimate will be fine.

MR. CACKETTE: I have to qualify what I can tell you. I think for the L.A. area it's on the order of a couple thousand.

CHAIR WEISSER: The total inventory right now is a couple thousand, and you need 500, so you need to reduce that by a quarter.

MR. CACKETTE: Yes. The actual number of tons that will represent Los Angeles meeting air quality standards. With that much pollution the ozone (inaudible), so it's something like 750 or so. It's in that range, I don't have a precise number. I can get it for you if you like, but it shows you that we have large reductions on the order of another 50 percent overall that we have to get, and since this is a big source, we're looking for every ton we can get.

CHAIR WEISSER: That sort of context information I think would be helpful for the committee and the Legislature.

[new slide]

MR. CACKETTE: All right. So now another outline of what we're going to talk about for the remainder of the presentation are the opportunities for improvement. When you see the report that has been changed to recommendations.

There's some other things we evaluated that we have not come to a conclusion on as to whether they're good to be implemented, and we'll talk about those. And then we'll talk about some future opportunities to redesign the Smog Check Program which are aligned around remote sensing and on-board diagnostics, and we'll talk about those as well.

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We've identified eight specific opportunities for further improvement, new things that could be done to improve the effectiveness of the program.

The first one is to clean screen five-year-old vehicles. And I should say these opportunities both go to emission reductions and to reducing the costs and improving the convenience of the program. This one obviously is not designed to reduce emissions, more it is designed to exempt vehicles from the program to reduce cost and inconvenience.

Second one is to eliminate the existing 30-year rolling exemption and replace it with a fixed pre-1976 exemption of

vehicles so that cars in the future that are in the program do not drop out.

Third opportunity is more frequent inspections for older vehicles. In this case vehicles older than 15 years would be the ones that we analyze.

Next one is annual testing instead of biennial testing for high mileage vehicles. The example we use here is taxicabs, but there are other high mileage vehicles.

Next one is to add an inspection for smoking vehicles, ones that have visible blue smoke coming out of them.

Next one is to delete the change of ownership inspections for vehicles that are two years and newer. This one is focused at saving money without reducing effectiveness of the program from an air pollution standpoint.

And the final two are to improve the inspection station and repair station performance through adding more stringent inspection standards or pass cut points after a repair is done, more stringent than what the car was originally failed to.

And the final one, to improve the enforcement program.

I'm going to take the first four of these and then Dave's going to take the last four.

[new slide]

So the first one is to try to find a way that we can get the very cleanest of the five and six-year-old vehicles and

exempt them from the program. You saw this chart before that had the arrow pointing down to an area where the ton loss from doing this is essentially zero. You could maybe go up to half a ton there and you can see that we could exempt as many as 20,000 vehicles that are five and six-year-olds and are predicted based on the low emission profile to pass the test. So we believe that that type of low emission profile can be identified to segregate out the cleanest vehicles from the ones with a greater chance of failing.

BAR is working on that right now. It'll be a metric that's more precise than just the age of the car. But we do remain concerned that we not go backwards at all given the air quality challenges and the need for additional reductions that remain, and so we're suggesting that one way to deal with the fact that this low emission profile will never be accurate, that it will exempt or except some vehicles that are in need of repair and have high emissions, would be to charge some kind of fee from those people who are exempted and then use that fee to find other ways of reducing emissions, whether that be from diesel trucks or off-road equipment or scrapping cars or whatever, it would be a way to guarantee that there's no lost emissions. Of course, net to the consumer would be a benefit because they wouldn't be paying that \$50 smog inspection.

[new slide]

The second opportunity for improvement deals with eliminating the 30-year rolling exemption. As I indicated before, the Legislature took what was a pre-1966 exemption – 1966 was kind of the year when cars first had smog controls – and changed it to a 30-year rolling exemption, so each year one model year of the fleet drops out and becomes exempt, each calendar year one drops out and we only have 29 years of vehicles in the program.

We've looked at this and found that the vehicles that are older than 1976 do have high emissions, even though they're small in number and small in usage, they have a significantly disproportionate amount of emissions and they could be included back in the program.

[new slide]

Here's a couple ways of looking at the emissions of these older cars. These are individual model years and the emission rate of the cars. You can see that a 1975 car, that would be the youngest car that was exempted from the program this year starting January 1 of 2004 because of the 30-year rolling exemption, those cars emit over seven grams per mile, and on the right you can look at a 2000 model year car and you can see that it emits about a quarter of a gram per mile, so there's a difference there of about 30 in emission rate per mile.

[new slide]

Now, many of these old cars are not used as much, so the next slide attempts to put that into tons so you can see the relative impact of these specific model years. And what you see here, of course, is that the '85s, the '90s and the '95s remain the focus of the program. Those are the most important types of model years. But if you look over at the 1975, we've got one-thirtieth of the vehicles in that category compared to the 2000 model cars, we have one-sixtieth of the VMT, or vehicle miles traveled, caused by '75 cars compared to the 2000 cars. But you can see that the bars are kind of on the same order of magnitude.

So looking at these pre-'75 cars, it suggests that you can get a lot of emission reduction and value from doing inspections on individual cars. In other words, in 2000 you'd have to expect a whole bunch of cars to get that 12 tons that you see there. In 1975 you wouldn't have to inspect that many cars, 30 of them to get (inaudible) tons per day, so it's a cost-effective thing to do and of course we've looked at that specifically.

[new slide]

So if we were to freeze the exemption at pre-1976 so that nobody else drops out of the program and nobody else is added to the program that's currently exempt, by 2010 we would have kept an additional 340,000 vehicles in the program subject

to inspections. We would have got 5.7 tons per day of additional NOX and hydrocarbon reductions. And when you look at the cost-effectiveness, it would have come out at \$7,300 a ton, so similar to what the overall program cost effectiveness is and cost-effective based on our measurements.

[new slide]

Now, there's been a lot of attention paid to the fact that maybe we don't want to bring cars in that have already been exempted in previous years and bring them back into the program, but I would be remiss if I didn't at least look at what the effect of the cars that the Legislature exempted that should be between '76 and 1966 is, and you can see that listed here and they represent even a smaller number and even less of the VMT, or travel, they represent having them in the Smog Check Program gives you 10.9 tons per day more reduction, so they're still a significant source.

CHAIR WEISSER: Tom, did you do cost effectiveness figures for those cars? And while he's -

MR. CACKETTE: I don't know the answer and it's not on the slide.

CHAIR WEISSER: While he's looking for the answer, I still want to be clear. You're not at this time recommending bringing any cars now out of the program back into the program, are you?

MR. CACKETTE: Well, the recommendations will be in the report. You have to kind of guess here from that standpoint, that's the policy issue that our management is still looking at.

CHAIR WEISSER: Thank you.

MR. CACKETTE: \$4300 per ton, so it's better than the '76 through '80 models that will be exempted by the (inaudible).

CHAIR WEISSER: And slightly better than the overall average (inaudible).

MR. CACKETTE: Yeah.

CHAIR WEISSER: Thank you.

MR. CACKETTE: All cost-effective.

[new slide]

Okay, our third opportunity for improvement relates to older vehicles, and we've looked at the failure rates of vehicles that are 15 years or older and find them to be several times higher than the fleetwide average and greater than 30 percent for some of the older models. I'll show you (inaudible) right here.

The right is the current model 2003, zero failure rate on those, and going back to '75, and you can see that somewhere between, well, 15 years on this would be 1988, so if you look at 1988, it's that second gold square above the blue line, and so you can see it's up to 20 percent failure rate there and then rapidly goes up to 25 to 35 percent failure rates with these vehicles.

What that suggests to us is that the durability of the repairs on these older cars is not very good, they need maintenance more often than once every two years, and so we're taking a look at what would be the benefit of including that group of cars in an annual inspection instead of an biennial inspection.

[new slide]

And here's the findings. It would affect a lot of vehicles, 5.4 million vehicles in the 2010 calendar year. It would reduce emissions by 27.4 tons per day, which is enormous from our viewpoint. It would be cost-effective at around \$8500 per ton. And of course, it may be possible using this clean screening technique or a dirty screening technique, one of the two, to identify those that are most likely to fail and only those vehicles would have to go to an annual inspection. And this, by the way, assumes there's still a 30-year rolling exemption (inaudible) with the other recommendations.

[new slide]

Here's the fourth recommendation, this is annual testing for high mileage vehicles. An example that I indicated is taxicabs, I think there's about 20,000 of them in the State of California, probably fewer than are in Manhattan but we do have a number of them here. The interesting point is that they travel a

lot, averaging about 58,000 miles a year whereas a vehicle of similar age is somewhere between 10 and 15,000 a year.

When you look at the same model year of normal car versus taxicab we find that they fail at greater than five times the rate of a normal car. So let's say a three or four-year-old car, it's five times higher because it's a taxicab, which by then it's got several hundred thousand miles on it, whereas the normal car would only have maybe 50,000 miles on it.

Essentially, the biennial Smog Checks are not frequent enough to control the excess emission, because these cars wear out versus mileage, or maintenance versus mileage, they're only coming in on average every 116,000 miles for a Smog Check. And so we looked at just for these 20,000 what the effect would be, and an annual inspection of these would reduce emissions by about eight-tenths of a ton. That's not a big number, but that's very few cars. And it's fairly cost-effective at around \$10,000 a ton.

So we made some estimate of how many cars are high mileage, meaning over 25,000 miles a year or double what an average car would get, and find it's about 3 percent of the fleet. With 500,000 cars in the enhanced areas, and if we could somehow identify those and get them all annual inspections, we would end up with reductions that are on the order of 23 tons per day, so a significant reduction.

The problem, of course, is that the taxicabs are licensed in some way that we can identify them. I don't know that Richard Skaggs drives 40,000 or 3,000, and so it's not possible to get all 3 percent, but we were going to further look at ways to try to identify some of those 3 percent that are taxicabs.

[new slide]

MR. AMLIN: Dave Amlin continuing with the opportunities for improvement.

One of the things that exists in state law (inaudible) for those vehicles (inaudible) if they have smoke, and Smog Check the way it was originally identifying in the legislation focuses (inaudible) levels or what you measure with an analyzer as opposed to some of the vehicle emissions, so we have a little bit of an inconsistency between what's out there so people (inaudible) between the (inaudible) and the visual emissions. In some cases vehicles with visual emissions (inaudible) tailpipe emissions and will fail, so they're being identified indirectly, however, that's only a part of them.

Smoking vehicles, in addition to having high overall emissions, can have high particulate emissions, and particulate emissions is a serious problem in California also. The estimate is that it would be as much as 1.6 tons a day just for the limited number of smoking vehicles that are operating on the road

at any given time, and so consequently we want to look at ways that we can go ahead and incorporate that into Smog Check.

I think for comparison (inaudible) and that's (inaudible). But it gives you an opportunity here to go ahead and capture some visual emissions. There are some logistical issues on how we'd actually go ahead and do that, but generally it's something that we want to go ahead and pursue.

CHAIR WEISSER: Dave, two questions quickly. The 200,000 in operation statewide; is that what that number of 200,000 means?

MR. AMLIN: I believe so.

CHAIR WEISSER: And so that's about one out of every hundred vehicles, if there's -

MR. AMLIN: Yeah.

CHAIR WEISSER: Why are they all around my house?

MR. AMLIN: Well, there are some complications with smoking vehicles. Some are ones that essentially have bad rings and have blow-by all the time and they're always smoking. There are other ones that you see that might be having problems with valve seals that seems to do it when you stop and then take off. For some cars it's only when you start and things like that, so there are vehicles that smoke under different kinds of conditions and the amount that they smoke varies.

However, there's one thing that they have in common in all those cases and it's one of the reasons that catalytic converters fail is through contamination and where not only the oil itself can go ahead and coat the catalyst but it also has the other metal and things that are in grungy oil that get on (inaudible).

CHAIR WEISSER: The fundamental concept here is not to add a new Smog Check, it would be at your existing Smog Check to have some sort of opacity check of the emissions?

MR. AMLIN: Yes. Just because the number of vehicles is limited, it may not be practical to have an opacity test integrated into every test but maybe have a visual check to go ahead and look for smoke, and then if there's one that's on the border maybe we could have a referee (inaudible) the arbitrator in that case.

So those are the things we'd have to look at, how do you go ahead and do this? You know, we don't want to have every station statewide (inaudible) to look for the needle in the haystack.

[new slide]

The other thing that's important I think from the previous slide that Tom showed (inaudible) vehicles are very low (inaudible) number of vehicles subject to a biennial inspections are still subject to change of ownership. I think sometime

(inaudible) legislation (inaudible) biennial and change of ownership to be the same, which would have a pretty big effect on loss of emission production for the program. We can go ahead and look at it to see is there a portion of those vehicles that we could do that with, and that's really focusing on the cars that are a couple years old.

[new slide]

One is that the change of ownership program, one of its purposes is to provide some consumer protection. It's tough when you go ahead and pass on a vehicle with no inspection, no information going to the buyer and then they find out later that it requires \$2,000 worth of repair work. We wanted to have an element in there.

However, when we look at the newest cars there's a couple of things that occur. One is that (inaudible); two, look at tamper rates and they are exceedingly low, so it didn't look like there was much at risk there in terms of consumer protection and health.

[new slide]

When you look at the tamper rate you see essentially no failures for tampering. And when you look at the failure rate of say about three percent (inaudible) tailpipe (inaudible) buyer and seller and (inaudible) intervention to go ahead and tell them that they have a problem.

I think the expectation is that all vehicles are still under the (inaudible) vehicles with relatively new motors, (inaudible) the opportunity then if they wanted to go back to the dealer so it can get repaired. So again, it's still under warranty, low mileage, and (inaudible). There wasn't a downside to letting these vehicles delay their first Smog Check. Not a lot of cars, but significant cost savings to motorists, and again, negligible emissions impact and negligible consumer protection issues associated with that.

CHAIR WEISSER: That makes sense.

[new slide]

MR. AMLIN: Improving station performance. One of the things that you'll see when you get the report is that not all the cars that fail Smog Check are getting repaired, and not all the cars that should fail are being identified, so what can we go ahead and do about that?

A significant number of vehicles that failed when we checked them on the roadside fails, so that means that they did fail their initial Smog Check. We would hope that if they were repaired effectively, down the road that the repair would be long-lasting and if we see it out on the roadside some months later, the vehicle would still be a pass, and that is not the case. A significant portion of the vehicles that fail their Smog Check will fail again when we see them on the roadside.

It's kind of complicated. That's something you can probably go ahead and look at the report on, but when we do our roadside (inaudible), we don't look at the date they got their Smog Check, so some of them are before they got the Smog Check and some of the roadsides are after they got their Smog Check. On average, it's about six months after for that category. Within that six-month period a significant portion of the vehicles, possibly upwards of 40 percent, are failing a roadside Smog Check, so that means either weren't repaired or weren't effectively repaired, so that gets down to we'll go ahead and enforce a good repair.

One of the things that we see on that is an opportunity to go ahead and have more stringent after repair cut points that will go ahead and instead (inaudible), it's getting them down to more like normal levels for that vehicle, in which case we'll go ahead and enforce the repair that's going to go ahead and (inaudible).

[new slide]

And another are some of the things in enforcement, I'm focusing on (inaudible).

CHAIR WEISSER: Excuse me, the cost effectiveness numbers here, Dave, like the ones we had earlier?

MR. AMLIN: I'm going to go ahead and cover each of those and provide a little bit more detail. I've got ahead of myself in my explanation.

So in this case it's difficult for us to go ahead and have some quantitative assessment of some of these measures to go ahead and look at the exact reductions we get. We realize that there's opportunity available to try to identify exactly what we might get (inaudible), and there's not a lot of additional cost but it's difficult for us to go ahead and assign some of the funds to some of these last couple features.

MEMBER PEARMAN: Can I ask a couple questions, Mr. Chairman?

CHAIR WEISSER: Yes.

MEMBER PEARMAN: Just in general, in some of the assumption projections how do you deal with the consumer assistance program and what the expectations are in people's repairs being capped or subsidized, and in particular in recommendation number three, if you get the 15 year or older vehicles checked every year, do you assume that therefore they can only get the benefit of the CAP program for one year?

MR. AMLIN: There's nothing currently in law that there is a more frequent inspection that if the vehicle failed (inaudible) if there were more frequent inspections on older vehicles or high mileage vehicles (inaudible) provisions. So

while we're potentially going to identify more failing vehicles, we effect vehicle repairs assistance for those motorists.

MEMBER PEARMAN: Okay. And what about the interrelationship between some of these steps? For example, with the 15-year and older you mentioned that it seems like the repairs don't stick, so to speak, or don't last. And then with recommendation number seven you mention again more stringent after repair cut points. So is there a possibility that someone could say, well, if we just had more stringent repair cut points for those vehicles you wouldn't have to inspect them every year but could do it every two years. So how do you see the interrelationship between those types of recommendations, are you considering how they might work together or one could replace the other?

MR. AMLIN: A couple of points. Good observation. One of the things about vehicles that fail and get repaired and there's a secondary issue and that's there was a portion of those vehicles that didn't fail at all, and so on a biennial check during that time within a two-year time period there are vehicles that are failing every day. The fact that we do a Smog Check doesn't say every car on that day got fully repaired and okay status and that they're all good for two years.

Obviously, we're looking at the previous graph that showed the failure rate by model year, so you could pick one that

had 25 percent tailpipe failure rate. Then that 75 percent may not have had any activity. Some of those may have had pre-inspection repairs. We've had some things that occur with a significant portion of the population didn't have any action as opposed to that individual event. Consequently, there's a large portion of the population that's (inaudible).

We said that there's 25 percent that just happened within the time period. That would mean in a 24-month period almost a percent a month are failing. So just by the end of a 12-month period, an annual cycle, that would mean you'd have another 12 percent (inaudible). We just use that as kind of a way to project out to the future.

Cars are failing every day and they're just adding up, and so even if everything worked perfect and all that, there's a portion of the vehicles that break down every day (inaudible). So consequently, I think that they're independent actions; it's not just that the cars are going to fail and that they'll be repaired and last forever (inaudible).

[new slide]

The other thing is that we haven't talked a lot about (inaudible) the remote sensing pilot. Something we also look at with this type of element, some type of remote sensing identification to help assist us in identifying the vehicles for

annual testing. Or there's a portion of those older vehicles that could opt out, and we could look at that also.

CHAIR WEISSER: Bob, what we're trying to do is to limit the number of questions during the presentation, but if there are questions associated with the clarity of the information that's being presented, those are good ones to raise now, but we will have a chance to go through the entire presentation again following the end of the presentation for more detailed questions.

MEMBER PEARMAN: I'm done.

MR. DORAIS: Patrick Dorais, Chief of the Bureau of Automotive Repair. I did want to add one additional comment to the first issue that was raised by Committee Member Pearman, which is the ability for vehicles that would be potentially identified as high mileage vehicles for annual inspection, there is no blanket statutory provision that would allow those vehicles to, just by the fact that they were identified for an annual inspection, to qualify for the consumer assistance program. They would be subject currently to the same statutory limitations as other vehicles, whether the consumer was able to demonstrate that they fell into a certain limited or low income category or have the vehicle directed to a test-only station for inspection. So again, those would be the provisions of those vehicles, without statutory change.

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MR. AMLIN: Okay, a little bit more detail on more stringent after repair cut points, just to give some kind of concept, how or what we will be looking at is (inaudible) take model year or engine size type of cut points, but it's more specific and allows us to identify (inaudible) and then allow some kind of margin around that. If we expect the vehicles repaired at a normal emissions level, those vehicles then will be fully repaired and less likely to go ahead and fail their next Smog Check.

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It suggests some of the repairs are incomplete, people aren't going far enough. It may be an ignition repair and a catalytic converter, but they only did one or the other to go ahead and get it to pass and they quit at that point. Consequently, the vehicle would rapidly deteriorate if you don't (inaudible) go ahead and fail again.

[new slide]

This is just an example in this case where we've committed to go ahead and have the tons (inaudible). We looked at what the emissions levels are of the vehicles that failed initially and then were repaired, what their after repair emission levels are, then we looked at vehicles that passed at initial inspection, and you can see that it's much cleaner

vehicles that pass that initial inspection, so that means there is a difference and vehicles aren't being repaired back to their normal levels.

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The question I think that the chairman had is can we go ahead and quantify that. At this point it would be kind of premature to go ahead and say we know that they all get repaired back to the normal level, so some of that is going to depend on (inaudible) our analysis on developing those cut points and some actual field experience to see whether that changes vehicle emissions or not (inaudible).

But from this the opportunity is substantial. We just don't know if we're going to get, for example on the HC, we (inaudible) get all of that 30 percent but we'd get half of that. We can go ahead and quantify the tons if it were in the 30 percent level, but in general I think you don't ever capture all the opportunity that's there, you capture a portion of it.

[new slide]

Again, (inaudible) full repairs. The failure rate we saw after six months was about 40 percent. Some of those are vehicles that in that six months have had some defect occur since that time. I think kind of a preliminary guess would be 10 percent of the passing vehicles might have failed in that kind of

a time period or for some other reason, but it's still pretty substantial the vehicles that repairs aren't holding up.

So we're looking at that now and we're looking at the cost of how we could go ahead and implement it. There are some provisions within the BAR97 software that will allow us to go ahead. It's a more complex strategy but we'd take some time to go ahead and develop that (inaudible).

[new slide]

Three, improving enforcement. Obviously, if there's some vehicles that aren't getting repaired or repaired adequately, or in some cases not even failed when they should, what we can do to go ahead and improve the program performance there.

[new slide]

There have been some changes. I think we've talked previously about some of the impacts of hiring freezes, budget cuts and things like that and the number of positions allocated or being lost. During the freeze we can't hire anybody new on the outside. If there's any vacancies that occur for a period of time, we lose those. And then there was a recent reduction in staff.

It's been significant, some of the lost resources of the different groups. In some cases it's effected even people that we get contracts through to help our own staff to do some

analysis to get this report out. I think we went through long delays to get that program evaluation contract out to get some assistance on this. And then in my group alone we've probably lost close to a third of the staff. Enforcement staff also have been hit through these reductions and we have just fewer people. I think it's probably close to a hundred people in terms of just the last couple years and positions.

So those are some of the effects in terms of what happens through that process. We've lost positions over time, don't have any way of recouping those positions (inaudible) those positions back.

[new slide]

There's another thing in terms of enforcement and I know it's been up as a discussion before. It's that there's a long lead time for us to go ahead and submit cases to the Attorney General's Office to go ahead and take some kind of action.

First of all, we have to have an updated (inaudible) identified a station that has a potential problem. We have to do an investigation and prepare a report. If we deem that it requires some kind of action, we'll send that to the Attorney General's Office for action.

Just in the time that we prepare reports and then the Attorney General's Office and have to go ahead and actually file

a case, and then for them to actually go ahead and have a whole hearing process take place, very long, I think it's about two years the process from when we submit it to the Attorney General's Office before it's resolved, so it takes a long time.

During that time we will have new stations replace the old stations and so on, so we have a couple things. One, we have fewer people to go ahead and take enforcement action. The second thing is a very big backlog at the Attorney General's Office.

Same as everybody else, they've lost positions. We're not the only client that they have. There are a number of agencies throughout the state that use the Attorney General's Office to go ahead and handle administrative cases and they have a backlog and it takes from initial action to final a couple years.

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Some agencies have a contract essentially directly to go ahead and have Attorney General's Office staff (inaudible) so that there's staff available so they can whittle down these backlog times and have these cases acted upon somewhat more timely, and this is looking at how to accelerate that process.

[new slide]

MR. CACKETTE: Largely just for your convenience and not having to thumb through all the pages, there's a summary of the eight improvements, and listed are the emission reductions,

where it's quantified and where it's not a comment; what the cost effectiveness is in quantitative, qualitative, and identifies in the right column which ones of the possible improvements are of primary focus in lowering the cost of the program or lowering the inconvenience to the consumer (inaudible) the first four. Then there's the last four that Dave talked about.

[new slide]

There were some other things I indicated earlier on that we evaluated that we did not come to a conclusions about. For example, what about all the motorcycles that are out there? There's about 400,000 motorcycles in the state. The characteristics of these is that they're low usage.

High tampering. Starting in 2008, essentially all the larger ones, the on-road greater than 400 or so will have catalytic converters on them in the exhaust system, and whether those will stay on is an issue, and so we were unable to evaluate the practical aspects of including motorcycles. If they were to be included now they'd have to be an idle test. They would require probably a special dynamometer to do loaded mode testing, and position of the tampering (inaudible) is something we're going to have to look at in more detail.

[new slide]

Another popular one is why don't we inspect -

CHAIR WEISSER: Excuse me. Do you have any idea of what tons are there, Tom? Okay. Just for future reference. Go on.

MR. CACKETTE: I think we looked at it, but I don't remember the number, sorry. We'll get it later, if we have it.

[new slide]

Our next one is likely to be including diesel vehicles, meaning the Ram pickup down to the Volkswagen Golf. As you can see by the numbers, there's not very many of them in the state. Right now at least there essentially aren't any being sold in California as new vehicles right now.

[new slide]

We did a study in 1991 looking at the repair of these vehicles to figure out if they're really gross emitters or not. The small sample that we did collect we managed to reduce the NOX emissions on them, but we increased the hydrocarbon emissions through the repairs, so that didn't seem like a very good trade and as a result the repairs weren't cost-effective.

These would require specific test equipment. We can't plug the regular exhaust analyzer in because the diesel particulate soot and oil will junk it up, so there will be some test procedure issues here.

And once again, more evaluation is needed. Diesels are coming back in the next couple of years. They will be loaded

with tailpipe emission controls like cars are today, but if those will need to be inspected we're not sure, but they will all have on-board diagnostics on them just like the gasoline cars, the check engine light that sometimes lights up on your car, so we may be able to use that as a way of inspecting them in the future.

[new slide]

On vehicle registration, at any one time about 3.4 percent of the vehicles are not registered, they're overdue for registration by more than a month. If you wait for time goes by, most of those people do get registered. Being registered of course you get a Smog Check, and by two years which is what you do for your next biennial Smog Check, (inaudible) percent of the cars, so these may be the ones that are escaping not only Smog Check but paying state registration fees as well.

The real question is, if it's one percent of the cars, that's one answer in terms of the environment. If it's one percent of the cars that have the highest emissions, that's another answer. That's the importance of getting that non-registration rate down lower.

So, again, we weren't able to come to any conclusions about whether or not this level of registration rate is acceptable, 99 percent of the people being registered, or not, and what the emission impact (inaudible) assess that.

[new slide]

And the final one has to do with the vehicle retirement program. When the budget crisis hit, (inaudible) was in the bank that was going to fund both the low income repair assistance program and the scrap program had to go to deficit reduction or balancing the budget, and as a result the scrap program stopped. It had scrapped about 34,000 to 36,000 vehicles when it was operating. These are people who failed the Smog Check and chose on their own accord to take money for scrapping their car rather than repairing it. And that, by the way, reduced emissions by about four tons per day.

We now have money available on an ongoing basis, not as much as before, to fund about 10,000 vehicles or something less than that per year at the reduced rate of \$500 per scrapped vehicle. We were giving as high as \$1,000 for it, (inaudible). But anyway, starting this spring the program will start up so we'll have at least a rudimentary scrap program on the books being implemented.

MEMBER SKAGGS: Mr. Chairman, for clarification.

CHAIR WEISSER: Mr. Skaggs.

MEMBER SKAGGS: Tom, on the scrappage that we're talking about, that's part of the program where we buy the vehicle and they have pollution credits for the difference?

MR. CACKETTE: No, on this there are no pollution credits. We buy the vehicle, send it to the scrap yard and it's destroyed for scrap metal and other things like that, and the benefit of that goes to breathers.

MEMBER SKAGGS: So the state receives nothing and the private sector (inaudible).

MR. CACKETTE: The state receives the clean air benefit of that vehicle not being on the road, that's what we're after, so from our standpoint the best scrap program gets rid of cars, there are no credits involved. (inaudible) get all of it. What that has to face up against is the economics and whether that kind of program is sustainable at a high level of not, and credits come into play to try to readjust the economics (inaudible) the private sector (inaudible).

MEMBER SKAGGS: Thank you, Tom.

CHAIR WEISSER: Let's just work with that for a second. You have 23 million cars, you said. We've also heard that 10 percent of the cars are causing 50 percent of the emissions. If you had some way of identifying that 10 percent and could get them off the road, you're talking about 2 million cars, and in this program you're talking about 10,000 cars.

MR. CACKETTE: It's teeny weeny. The Governor's action plan, Governor Schwarzenegger's action plan includes an element of trying to get a scrap program under way and he would not

consider this action as fulfilling his objective. He's not looking at teeny weeny things, he's looking at things that would be effective and would involve potentially many more cars and more reductions, so there is action under way to discuss how to fund scrappage on a broader basis. Whether that's state funding or whether it's for credit using the private sector interests is still unresolved.

CHAIR WEISSER: And let's make this clear. We're talking about voluntary scrappage program.

MR. CACKETTE: Right. But this one specifically looks at those cars that failed Smog Check and the people choose to scrap rather than fix the car, that's what's at issue on this, so it's only a part of any solution.

[new slide]

Okay, let me talk about the future opportunities to improve Smog Check. There are two technologies that hold significant promise for both improving the effectiveness of the program and reducing the costs of the program. If you go back to that cost effectiveness slide there should have been one number that jumps out at you, and that's that of the \$1.1 billion spent every two years on this program; 75 percent of it goes to inspecting cars and 25 percent of it roughly goes to repairing cars. And that number as we get cleaner and cleaner cars is

probably to going to continue towards a greater fraction on inspecting cars and a lesser fraction on repairing cars.

So at some point it suggests that we need to have a finer tool, more sharp magnifying glass to try to predict the vehicles that should fail and focus our efforts on them rather than inspecting tens of millions of cars that are clean and spending \$54 on each one of those.

So there's a couple ways of doing that. One is, you can make the test simpler and therefore lower cost. And from that standpoint, on-board diagnostics – the check engine light that's been on cars for decades but has been refined to be an extremely good tool in identifying whether the car has high emissions or not since 1996 model year – whether that tool, that technology, can be used as a surrogate for the emission test is one thing that we want to look at.

We're doing some testing to make sure that we understand that when a car fails OBD, the light comes on. If it doesn't come on, does that correlate precisely with high emissions or not high emissions, or are we missing something that the dyno test is picking up? We have evaluations under way to do that, but for the future, this is a technology that I think we are obligated to look at and see if it will reduce the cost of the program by simplifying the test.

The current analyzers actually plug into the system on the car during the inspection and that's all it takes, plug it in, the analyzer says okay or not. And if it turns out to be as good, then for at least '96 and newer cars that maybe cost more to remove some of the other testing that goes on and (inaudible) more of the cost of the inspection.

[new slide]

Second technology is remote sensing devices. We've indicated we have a study under way to place the 15 units that BAR has on a road, and we are specifically looking at how can remote sensing complement the current Smog Check Program, so we're looking at things like can we predict based on your car going by RSD devices whether it's clean or not.

For example, if in the six months before Smog Check is due on Mr. Skaggs's car, if he happened to go by a sensor two or three times and it was clean each time, very clean, we might conclude that it's a waste of time inspecting his car and then he wouldn't get Smog Check and he'd save 54 bucks and presumably it would be fairly accurate on his car not needing repair. The question is, how accurate? We don't want to miss too many high emitting cars, we'd lose benefits. If we could be a hundred percent accurate it would be a great tool. We're trying to evaluate that.

[new slide]

Also have one of Mr. Skaggs's cars and we have a lot of cars (inaudible) that maybe he's got one that's a high emitter and if he drove that car by the sensor one or more times, we might be able to pinpoint it and say you are a gross emitter. You have to come in for a Smog Check on an annual basis, or you have to come in every two months perhaps and get a notice.

On that we need to know we're absolutely correct. We don't want to bring Mr. Skaggs in and have them run a Smog Check and find out he's clean, so we're studying RSD to see whether it could meet the test in Smog Check of bringing in some of the gross emitters that either got that way between inspections, that cheated and got by the test, that got ineffective repairs and quickly became a gross emitter again, all those possibilities are a way of trying to hone in on the small number of vehicles that cause a disproportionate amount of pollution. So that study is going to be done in about a year and there will be some reporting time analysis after that.

These two things we think can play a role in the Smog Check Program of the future, and when one of the reports that we were required to submit, as I identified on the second slide, was to redesign the program. You should know that our conclusions are that the program does not need to be redesigned at this time. It's working well and we improve incrementally and it doesn't need to be replaced.

But these two things offer the opportunity not necessarily to replace it but to make even perhaps greater refinements in the future and we would look to hopefully be able to make some recommendations on this in the two-year time frame.

[new slide]

Also, during our adapting of the Clean Air Plan late last year, someone suggested that all-wheel drive vehicles should be tested on the dynamometer. Right now if you have all-wheel drive, it can't be turned off. We have two-wheel drive dynamometers, so we can't put the vehicle on the dynamometer, they get the simple Smog Check test.

We'd probably argue that for '96 and newer ones that's okay because we can check the check engine light and that will find most of the problems, but for the older cars, they are just getting the two-speed idle. That's more like the basic test, and you can see from our BAR charts that the tons that we get from that are much smaller than the tons from the enhanced program that has the dyno test.

So we're looking at whether or not it's worth it to make an investment for these vehicles that will eventually be a diminishing number of vehicles, the older than 1996 all-wheel drive vehicles should be tested on a special (inaudible). We can't put those in every station so it would have to be a program developed where these cars would be identified and they would go

somewhere special and get a four-wheel drive test, and the cost effectiveness of that has not been fully assessed yet.

So we're finally to the end here.

CHAIR WEISSER: Well, I'm wondering if, Tom, what we might want to do is stop right now and have you do these two next charts to kick off when we return, and then we'll get into a discussion on that. The summary will refresh people as to what they've heard, and then steps will kind of lead into a discussion of what your plans are and what we can do. Will that work for you?

MR. CACKETTE: That works for me.

CHAIR WEISSER: Will that work for the committee? Hearing that, what we'll do is adjourn for now and return promptly at 1:30 to start. Thank you.

Members of the committee, our gallant staff have arranged sufficient room for us at the Mexican restaurant across the street for those of you interested in tons of fairly decent Mexican food.

(Noon Recess)

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AFTERNOON SESSION

CHAIR WEISSER: The afternoon session of the meeting will come to order. I think what we'll do just to allow folks to settle in is jump a little bit in our agenda to item number eight, which is the report on the ad hoc committee regarding vehicle scrap program and possible legislation. I'm sorry. And the report is going to be very brief. The subcommittee is composed of Member Lamare and myself.

MEMBER LAMARE: Rolling 30-year.

CHAIR WEISSER: The rolling 30-year. Which one is that? Oh, that's not on the agenda. I think we have the wrong one on the agenda, so I'm going to give you a brief report on the 30-year exemption issue, and then I'll also make some comments regarding some scrappage.

The report regarding the 30-year exemption issue is, there was a subcommittee formed by this committee of Jude Lamare and myself to explore possible ways to initiate legislative action in order to place a freeze on the current 30-year exemption; in other words, to retain cars that are currently in Smog Check in Smog Check for the perpetuity of their lives while not bringing any older cars that are out of the system back into the system.

My membership from my organization, the California Council for Environmental and Economic Balance, has decided to

sponsor legislation. It is my understanding that another organization, an environmental organization, is also interested in sponsoring such legislation, as is an air district, so I would expect that a bill will be introduced before the deadlines for consideration by the Legislature of freezing the 30-year exemption. There are a large number of stakeholders that I've been in conversation with and I think Ms. Lamare has been in conversation with that are really interested in dealing with this issue before yet another year slips out of the program.

In terms of vehicle scrappage programs, there have been a number of venues where people are discussing, as was mentioned this morning, ways to structure a scrappage program to make it more efficient, more larger, and more funding. Those discussions are all, I would characterize it still in kind of the early stages.

With the state's financial situation as precarious as it is, the state's economy still troubled, it will be a major challenge to both come up with a program design and funding sources that will provide the amount of funding that you're talking about. I think Mr. Cackette mentioned this morning that they were looking at 10,000 cars. If you try to ramp that up and you talk about 100,000 cars, there are all sorts of issues associated with scalability and the impact on the market for used cars, much less the amount of money that might indeed be needed.

There is also a lot of interest, as you've heard in the past, of doing something with heavy duty diesel engines and some off-road diesel engines, too. So folks are also talking about how you fund that sort of a program, how do you design a program that will bring you the kind of emission reductions that we're all looking for.

Are there any questions regarding these two very, very brief status reports from any members? No.

Okay. Then I think what we'll do is return to the presentation we were getting from BAR and CARB and leave till later any questions that the public might have regarding this little status report that I just presented.

So I think, Tom, we were at the point where you were going to give us a summary. I'll slide over to the left, and then we'll carry on.

— o0o —

MR. CACKETTE: Thank you. The summary is very quick. Just that this is a big program, reducing a lot of emissions, one of the most effective, it's cost-effective. Compared to other strategies, it's certainly worth keeping and improving, if possible, and the top ten improvements we think are possible are on that laundry list. It seems like there's a potential for 25, 50 maybe more tons per day additional reductions out of Smog Check. If those turn out to be viable and statutory authority

was provided to do some of them, then we clearly can make the case that reductions are needed, and in some of the cases the recommendation will reduce cost and increase convenience.

[new slide]

What about the next steps? It's our intention to provide you with a written report that includes more information and some substantive recommendations next month, and hopefully in time that you can peruse it before your next meeting, which I assume will be at the end of next month. And we would really like your feedback.

This is a reminder from one of the earlier presentations. We're required to submit it to you and you're required to consider it as part of your evaluation of Smog Check and whatever you should choose to recommend to the Legislature. So that's one reason why we're giving it to you, but more importantly, we're looking forward to getting your comments and suggestions on whether you think we're on the right track or not. And in addition, we're someone said piggy-backing on the process, the public process, so we'll be looking to get not only your comments but also comments of the public that should choose to participate in regular I&M Review Committee meetings.

When that's all done, we've gotten your comments and the public's comments, then we would finalize this report and

submit it to the Legislature, which fulfills our requirements of the statute.

CHAIR WEISSER: Thank you. Tom, is there any constraint upon your ability to submit the report to the Legislature? I mean, do you need a certain number of hearings, public hearings? Do they need to be in different parts of the state?

MR. CACKETTE: No, I don't believe there is. I don't think there's anything that actually requires a public hearing on the report. We think that's an (inaudible) process that happens, but I don't think there's anything that says that one has to be in southern California.

CHAIR WEISSER: So, what I'm hearing -

MR. CACKETTE: Might be worthwhile (inaudible).

CHAIR WEISSER: I was thinking more of Maui. What I'm hearing you say is that you, let's say sometime in February give us a report. We would need adequate time for you to make this report available to the general public, and then at that point in time what you're suggesting is we would hold a public hearing of sorts where the public could provide comments. You would be there to respond to the comments. We would be there to ask whatever questions we have and also to respond. You would extract from that then some sort of digest that you would use for

finalizing your report, and at that point in time it would be submitted to the Legislature?

MR. CACKETTE: Yeah, I think that would be an excellent process, although I'm assuming there might be more than one, depending on your needs. If we gave the report to you in, let's say mid-February or right now, it certainly doesn't seem like you will be able to put those meetings together, have the meeting and then in a week or two come to some kind of a conclusion. So that may be presumptuous, but I'm assuming there might be a couple of IMRC meetings before that.

CHAIR WEISSER: Well, we'll follow the ARB and BAR model in terms of being thorough in our review, I'm sure, but what I guess I'm getting at is you could have a public comment process that would enable you to finish your report and submit it to the Legislature not dependent upon this committee's action for its own independent report, and we might follow with our own report to the Legislature several months after your report came in.

MR. CACKETTE: Yes, that's entirely possible.

MEMBER DeCOTA: But isn't your point there that you're required by statute to consider our report?

MR. CACKETTE: Well, it's actually the other way around. You're required to submit —

CHAIR WEISSER: We're required by statute.

MR. CACKETTE: — as part of your recommendation you have to look at this report. And I only brought that up because I'm saying we're discharging one of our responsibilities to give you the report, but we're looking for much more from the committee than just to hand you a report. We'd really like to have a discourse, get your input, your observations on most of these opportunities you'll see in terms of recommendations (inaudible) they may not pass the straight benefit face test is something that can be done. I think of the eight there's five or six that will require statutory change to be able to do them.

So there's a whole political realm and policy realm and we need to take all that into consideration before we get the final report that our Governor would submit or approve submitting to the Legislature.

CHAIR WEISSER: I'm initiating this conversation, members of the committee and members of the public, to try to get some parameters around what our charge is as a committee and how we can best meet that charge, also providing an opportunity for CARB to, as they said, piggy-back on our process and get public feedback.

What might occur, in fact, is the opportunity at one or two subsequent IMRC meetings for you to hear questions from the public or comments from the public as well as questions and comments from individual members, but I would be doubtful that

we'd be in a position to have our report ready within one or two meetings, so you may be in a position, it seems to me, that submitting a report while this committee's work is still ongoing in terms of coming up with its own independent recommendations, including our review of your report.

Rocky, before we go through the committee members and ask questions that they might have from the presentation or any ideas the committee members have as to how we should organize to conduct our review and develop our report, perhaps you could report to the committee on the statutory context for the committee's recommendations and report to the Legislature, as best you can.

MR. CARLISLE: (Inaudible) statutory obligation on the part of this committee to not only comment on this report, but also to draw up your report to the Legislature (inaudible). Unlike at least my initial problem was it was tri-annual requirement. It's actually an annual requirement of this committee to report to the Legislature.

CHAIR WEISSER: And how is annual defined, is it a July 1st requirement, is it a calendar year requirement?

MR. CARLISLE: I don't believe it outlined that, I'd have to look.

CHAIR WEISSER: I think it's important that we pin that down. And in fact, when we have a little break if you could call

Don Chang, our attorney, I'd like to know that while we're still in business here.

My recollection is the same as yours, Rocky, that it's annual, and I don't think it says a date specific, but I see some information has been brought forward and perhaps Mr. Dorais could comment on what he sees in the statute.

MR. DORAIS: Patrick Dorais, Chief of the Bureau of Automotive Repair. Can you hear me?

It just says that the report is to be done by the IMRC and submitted to the Legislature and the Governor on the performance of the program, making recommendations as well on program improvements at least every 12 months. It doesn't give a preference as to what time of the year or when the original first report was due that it would then go every 12 months thereafter.

CHAIR WEISSER: I am considering that this committee over its life has submitted how many reports to the Legislature? I think the answer is zero. That the committee has some discretion in terms of the amount of time that we have in order to develop our report. My leaning and my urging would be that we think of trying to get something in sooner rather than later, because I do think there are going to be some things that will be of great interest to legislators and hopefully might be able to be acted on sooner rather than later. Yet I want to balance that with us having an opportunity to solicit information from the

public and do our own independent sort of work to make sure the report is meaningful and not merely parroting back things that we've heard.

Okay. I'm going to shut up for awhile and start entertaining questions and comments from members of the committee regarding the summary that we've heard this morning. Perhaps we should start with our host for lunch to the far left from my vantage point, Mr. DeCota, but I see an arm being raised (inaudible). Dave.

MR. AMLIN: Thank you, Mr. Chairman. I just wanted to go ahead and add a little bit more feedback on the issue of how you might proceed, just having dealt with some of the reports in the past. I guess when we've put out a previous report and the committee worked on one.

I think that the report itself in terms of the analysis of the program will be the less challenging part of this, and just going to be more to do with the recommendations that go forward to the Legislature.

You're tossing out the thought that this may or may not catch up with feedback in time for us to go ahead and finalize our report. I think a consideration for the committee is to go ahead and focus on the recommendations, because that's really where the controversy comes up and a lot of these elements could require legislation to see if there is some consensus on those or

if there are some things that can go ahead and help gain consensus before we go forward so that we're not having mixed messages going out to the Legislature. I think that was what happened before and we got some legislation that looked like, you know, lots of different ideas and we didn't juggle it all that well.

So I think one thing that could be done is to focus really on the recommendations and say you agree on these recommendations, yes or no. If you don't agree with them, either some modifications to bring it to consensus. And are there other additional recommendations you'd like us to consider. One of the things that's been discussed today is expanded vehicle retirement program, and that's an element that we're all interested in.

I think if we get some consensus in those areas and get that defined, that kind of feedback would be very helpful to us, because we don't want to come forward and have recommendations and then have the committee propose something that's different that we didn't take the opportunity to find that consensus with. Thank you.

CHAIR WEISSER: (Inaudible). Dennis.

MEMBER DeCOTA: I'm going to pass at this time. I'm still preparing my remarks.

CHAIR WEISSER: You're on the spot, John.

MEMBER HISSERICH: All right. Well, I have two questions here that probably reveal my naivete about this.

In the pull-over program that you described at the onset, is there any effort then to correlate the cars not just with how they perform but where their testing was done previous to the being pulled over? You know, do you look and see who did the work (inaudible) and if they're in or out of compliance do you ever say (inaudible)?

I mean, presumably when you (inaudible) you know that it's been previously tested, I believe. Is that right?

MR. AMLIN: Yes, we know it's been tested.

MEMBER HISSERICH: And you know who tested it.

MR. AMLIN: Correct.

MEMBER HISSERICH: Are there a lot of them that appear to be out of compliance, do you ever say, well, gee, here's a pattern? You know, we pulled over, I don't know how many cars you pull over but let's say you pull over 50 in an area and 20 of them are tested by one place and have a problem being in compliance, is there anybody that looks at that?

MR. AMLIN: A couple things. One is that the numbers of inspections we do at the roadside, I'm not even sure of the level right now. 13,000 is the more recent. I think previously we probably had in the earlier years 27,000 on the earlier dataset that we had. Those are substantial numbers in terms of

(inaudible) assessing the program. It's not enough to go ahead and come up with a real conclusive assessment of any of the stations in those cases just because there are about 2,000 Smog Check stations in California, and so (inaudible) datasets. We have information on stations (inaudible).

Are there some egregious scenarios that might go ahead and point us towards some of these activities, and that's something certainly to consider.

There was a substantial report that said, station performance report that was done before on this and that used the roadside data and also analysis of the Smog Check program data, and that came up with a methodology of using the two to go ahead and identify stations that have poor behavior. Some of those factors and a number of other factors have been incorporated into computer programs that monitor station performance and those are some of the tools that our field staff use to go ahead and identify likely bad actors.

And so we do not take long to learn what kind of behavior (inaudible) data and we use that to identify the stations.

MEMBER HISSERICH: Well, just because you're doing anywhere between 15 and 30,000 pullovers (inaudible) if you did 50 in one day in an area and 20 of them were from the same shop

or something, you might take a look at that. Anyway, just part of the enforcement, okay.

What about the issue of gray market cars? Is that something that comes up much, people that – we've talked about accuracy of registration. I mean, are gray market car people that have high end cars but either they may just avoid registration or they may register them in Oregon, or do people ever purchase and then continue to register a car in the change of ownership only area and then actually operate that vehicle in an enhanced area?

MR. CACKETTE: There are several parts to the question. Gray market car refers to generally a vehicle that's not in compliance. There's new vehicle emissions standards that somebody else tried to modify and bring into California. Essentially, that market was very strong with German vehicles in only ten years ago. It's pretty much dried up now (inaudible). But it doesn't happen very much and there are certain rules now that pretty much prevent that from happening.

The other part to the question regarding where might a car be operating, I don't know that we have quantification of it, but it is clear that some people register at homes in the mountains which are not part of the Smog Check in order to avoid that.

There is also people who register out of state mainly to avoid paying their registration fees or (inaudible). The CHP are pretty good at enforcing that (inaudible), so I don't think we have a quantitative number (inaudible).

MEMBER HISSERICH: (Inaudible) You mentioned along the way that particulate matter that there are thousands of people dying as a result of particulates. Do you have some citations on that? Not that you have to provide me right now, but -

MR. CACKETTE: Yeah, our website has a document that deals with the health impact of air pollution in California, and the deaths come from the particulate side, not from the ozone side.

MEMBER HISSERICH: Right.

MR. CACKETTE: And if I recall right, I think from all sources of particulates, I think it's 14,000 a year. And the number of hospital admissions, days lost, asthma attacks, things like that, are all quantified.

MEMBER HISSERICH: Okay, I'll look it up. One last question, Mr. Chairman. On your opportunity for improvement number one, it says BAR to be authorized to charge owners of exempted vehicles a small fee.

Now, it appears that an exempted vehicles is a very high end car and the small fee is no deterrent, and if somebody purchased a vehicle that's excepted because it has good

performance but it's a very, well, it's a car that would otherwise meet all your expectations about low polluting vehicle, a cheap or low polluting vehicle. If they put themselves in that situation but then assess them a fee for having done that, would seem to be something that might be politically unpopular (inaudible). That was just an observation I had made.

MR. CACKETTE: Well, I think that could be true, but the station here in general is that you can buy a clean car, one that's very, very clean new, but it doesn't necessarily stay clean if you don't take care of it. And so, you know, Smog Check's looking at taking care of the cars and not tampering with them, making sure they're tuned up and they don't have broken parts, or if they have broken parts they get fixed, so there's a bit of a distinction between, you know, necessarily buying a Honda, which has a reputation of being extremely clean cars in their advertisements, and whether the Honda will stay low emitting all of its life.

MEMBER HISSERICH: When will you do an assessment, I guess would be the question.

MR. CACKETTE: Well, in the specific example that we were giving, I think, was for of the group of five and six-year-old cars that could be exempted from the Smog Check so that their first Smog Check does not occur until after the sixth year, there would be many of them that will pass, therefore not

justifying (inaudible), but a few that should have been caught. And so rather than relying a hundred percent on our ability to segregate those vehicles (inaudible), we thought that one way would be we'll take the cleanest and exempt them, but we know we'll miss some. And of those who choose the exemption, they would pay a small fee, which money would then be spent getting reductions somewhere else through some other means. It would be a customer choice. If they don't want to pay the fee, they could get a Smog Check.

MEMBER HISSERICH: In the sixth year of their ownership they can say, look, this car is basically clean, I don't want to pay for it, I'll go ahead and pay \$25 and don't get an inspection, or I could pay \$54 and get an inspection?

MR. CACKETTE: Yeah.

CHAIR WEISSER: The illusive \$54 average. I say illusive because I did another little visual survey in the Bay Area and have yet to find a provider that approaches \$54, folks.

MEMBER HISSERICH: That's all.

CHAIR WEISSER: Mr. Skaggs.

MEMBER SKAGGS: Yes, thank you, Mr. Chairman. One of the things I'm concerned about, when a person would go and get a Smog Check and if the light comes on on your engine in the system and the OBD communication fails, now, let's say a car failed because of a connection to their machine to that car, and the

customer then has to pay, let's say \$1,000 to have it repaired because there's no tool in that shop to see if it's either the car or the machine.

Well, one of the recommendations should be that everyone should have a scanning tool in a shop so the consumer is not stuck for a malfunction on a machine. A lot of shops, the bigger shops have two or more machines, so if it does fail and say it's due to a light on your dash, they can take another machine and double check that machine to find out if it's really the customer's car or it's that machine.

And you know, it's interesting how many people go through this where the light comes on, although it's not really a light, it's not the car, it's the machine.

So Mr. Chairman, one of these recommendations I would like to ask is that a standing piece of instrument, and I think they're available. This way it would protect the consumer against someone who would go in there and malfunction something so they can make some extra money. That's one.

The second, I have to congratulate on the remote sensing. I've been pushing for remote sensing and I think a lot of us have, and I see that you have 15 that you've purchased remote sensing packages?

MR. CACKETTE: Yes.

MEMBER SKAGGS: I know we brought this up in '98 or '99 that we recommended that you take remote sensing and take it to an EPA approved lab here in California and run the vehicles through that remote sensing, then run the same vehicles through the highway city test and make sure that that remote sensing reads the same. Did you ever do that?

MR. CACKETTE: Yes, we've done that many times now, and this new (inaudible) is to kind of get beyond that point. We've already determined that remote sensing technically can work. We know what it measures. We know what emissions it measures, certain pollutants. We know its limitations.

The question now becomes if we do it to millions of cars we would make too many mistakes one way or the other, either thinking they're clean when they're dirty or thinking they're dirty when they're clean, that it would not pass the (inaudible) test of being a reasonable program. The conception of remote sensing is that it's kind of basic, you know, it's spying on you, those kind of concerns people have expressed. We want to make sure that it works and it works right, so this latest study is designed to answer the specific questions, how do you use it in Smog Check? We're going to be remote sensing a couple million vehicles and we're going to be pulling some of those samples of those vehicles over, finding out if they really are high emitters. We're going to be pulling in and doing

repairs to them. We're going to be trying to simulate how it might work in the Smog Check program and figure out if it's accurate enough to serve one of many purposes.

MR. DORAIS: Patrick Dorais, Chief of the Bureau of Automotive Repair, just to answer your first question on the record. Yes, we have purchased and accepted delivery of 15 remote sensing devices.

MEMBER SKAGGS: Thank you. The other thing, I know we talked earlier and I know we had a presentation that talked about 1999, and that was ten vehicles that Dr. Kosar purchased to do a study on gasoline since the Air Resources Board only tested the diesel. You don't test the gasoline, you tested for diesel vehicles (inaudible) the City of Los Angeles loaned a dozen vehicles to the state and that test was conducted by the Air Resources Board.

Earlier they tested two vehicles with a pre-test, I just read the report, and after testing the two vehicles, it lowered emissions in categories and gave back 4.4 on the mileage.

The second test was conducted later on with 11 vehicles provided by Mayor Bradley, and those reports repeated the same as those two vehicles that you previously tested with particulate matter down 20 percent and the HC was down from 26 to 50 percent with a mileage increase of 4.1, so I am corrected on the gasoline.

But the ten vehicles that Dr. Kosar approached this committee, who was our chairman the and make the recommendation that he would take ten vehicles, brand new ones, to find out how long these vehicles would stay clean.

One of those cars I happened to buy, it was a 1999 SUV Ford Expedition, and I've owned that particular vehicle because I knew the SUV are big polluters and they're big cars. I happened to drive a small car at that time. So this particular car, we tested it often, but today it was tested last month with 81,617 miles. The mileage increase was anywhere from 5 to 17 percent, and when you read on the (inaudible) in California, and I asked you earlier about this, it says the max on the NOX was 980 and the average was 103. Well, this particular vehicle that usually goes up in emissions was 0074.

On the other category you have 25 miles per hour, the average on that was 97, the max was 840. It was 0008, three zeros, and the mileage increased.

Now, this vehicle has been in my control since 1999. That particular vehicle, because I wanted to do a study for this committee along with Dr. Kosar, because if we find a cost-effective way that we can make a recommendation (inaudible).

Well, the Air Resources Board, I know we've had several meetings with you and I've brought several people to you. In the last four years they've been testing gasoline in China. Happened

to have one of the directors of the Governor from years ago who runs China. He then talked to Dr. (inaudible) who paid for the testing in China and provided several cars.

After four years they had a test and she decided that she'd bring it back to show the Governor, because she thought it would be a great recommendation to the State of California.

She was surprised when she found out it was already tested and they spent \$300,000 of taxpayer's money on diesel, not gasoline. And her question was, what happened?

I explained that we have remote sensing now, and I'm glad we have 15 of them. In the recommendation back in '99 that we do a baseline if those machines were accurate, if someone had a devise like an additive, if they had dog manure and it worked, then let's go ahead and take advantage of a baseline using these remote sensing since they're so accurate it's going to save the taxpayers an awful lot of money than going to a EPA lab. And if we find something like dog manure or additives or devices, and then truly they lower emissions and then come up with numbers like 0074 with a mileage increase up to 17 percent, I think we might have something.

And I have to quote what CBS said about the Air Resources Board. They said, "On D1280X and 1280X products, it sounds like the Air Resources Board is chasing rabbits and let

the buffalo get away." That was done by the vice-president of CBS.

And so I'm saying again, if we have the rabbits and we're chasing rabbits and the buffalo's getting away, let's try and catch that buffalo to see if we can do something so that people in California can have a cost-effective way to clean up, and that's not going to cost us 40,000 or 8,000 or \$10,000 per ton of pollution. So my recommendation if someone has something and it's been tested by a government agency or EPA, then we should consider looking at that. That's another recommendation I made.

CHAIR WEISSER: Thank you, Mr. Skaggs. If I could, what I'd suggest is that one area that the committee might want to look into and certainly might want to become more informed, is how ARB and perhaps BAR actually do handle suggestions, either rabbits or buffalos, to improve via technology the operations of fleets, and perhaps we could do that as part of our review to see if there's any opportunity that might help the program over the long run.

But for today's event we've raised the issue and I think it's in our consciousness now and I think we can move on.

Rocky, I saw your hand up.

MEMBER SKAGGS: But Mr. Chairman, just a quick comment. The only reason I brought this up, Mr. Chairman, is because it

was a presentation to this committee that we all agree that we should look at some things like you just said, and somebody dropped the ball. That was five years ago. Thank you, Mr. Chairman.

CHAIR WEISSER: Well, I think that we can ask at a future IMRC meeting for a brief report on the process and methodology ARB uses to evaluate all the wonderful ideas that I'm sure come in from various entrepreneurs in order to improve gasoline mileage, to clean the air and to make pigs fly.

Rocky.

MR. CARLISLE: Mr. Chairman, (inaudible) discussing a little while ago (inaudible) from DCA is here to answer any questions you might have regarding that statute.

CHAIR WEISSER: We don't want to keep him any longer than necessary. Where is he? There he is. Oops, you wore a tie. That means you buy lunch.

MR. HEPPLER: Mr. Chairman, members of the committee, Kurt Heppler, DCA counsel. Not counsel to this particular August body but I've been authorized by the counsel assigned to this body to answer your question, and I think it stems from the 12-month requirement of section 44021 of the Health and Safety Code; am I correct?

CHAIR WEISSER: Yes.

MR. HEPPLER: Okay. After conferring with learned counsel, it appears that the committee could interpret that section in one of two ways, either the more traditional approach would be 12 months from the operative date of the law that made the committee, brought the committee into existence, which would be obviously the calendar scale because it was probably operative 1/1 the next year of the legislative session.

Or it could be construed to mean that the date that the committee was constituted in its most current form, and 12 months from that date.

CHAIR WEISSER: I don't know what constituted in its most current form means.

MR. HEPPLER: Well, you have the 12 months from the date that you have all the current members as assigned.

CHAIR WEISSER: So 12 months from, for instance, today. But of course —

MR. HEPPLER: What I mean is 12 months from the date that a quorum was present enabling, I think you were missing a few members and there may be some question whether a quorum was present or was sufficient appointments to do the committee's business, so the date that you have sufficient members present to do business, 12 months from that date.

CHAIR WEISSER: Thank you. And you're indicating to us we kind of have a choice of those?

MR. HEPPLER: I am.

CHAIR WEISSER: I choose the calendar approach. All in favor?

IN UNISON: Aye.

CHAIR WEISSER: Hearing no opposed, the calendar is our deadline. Thank you very much, Curt, we really appreciate that.

MR. HEPPLER: Thank you.

CHAIR WEISSER: That being said, it would be my intent to see if this committee could not act in a far more expeditious manner than the end of this year.

Mr. Skaggs, do you have any further questions or comments that you'd like to make?

MEMBER SKAGGS: No. Thank you.

CHAIR WEISSER: Thank you. Mr. Pearman.

MEMBER PEARMAN: First, will the report give us specifics on how to implement these changes, if you need new legislation, the time table, that type of thing?

MR. CACKETTE: It will identify which ones need the statutory authority. It does not provide a lot of detail on how one might go ahead implementing them. Some of them are relatively obvious, like if you change something from biennial to annual, that's real straightforward. If you try to find only the dirty cars (inaudible) group of cars more than 15 years old, for example, that will (inaudible) by BAR after they got the report

before they could do that. So it does and it doesn't, depending on which option you're talking about.

MEMBER PEARMAN: Is there a time frame available if these recommendations are implemented as to how many years the phasing of these emission reductions might occur on a realistic basis?

MR. CACKETTE: Well, I think most of the recommendations that will be included in the report, and most of those require statutory authority, could be implemented – I think most of them could be implemented within a year. That assumes that all the necessary information is available.

For example, if I was to answer that on remote sensing I would tell you no because (inaudible) won't be up for between a year and two years, and then we would implement it.

CHAIR WEISSER: So what you're suggesting, as I hear, is that based upon legislative direction, some of these could be implemented just as soon as past legislation becomes active; either at the beginning of next year or if it doesn't go out this session then the beginning of the year following.

MR. CACKETTE: I think I would say more like a year from that point, because in general the statute still requires the bureau to do a regulation and that has a six-month typical process involved. There's some technical work on most of these

that has to be done first and so we have more detail (inaudible) a year from the time someone says we have authority to do it.

CHAIR WEISSER: What I thought I heard you saying, Bob, was isn't there even after you start implementing kind of a gear0-up time, and do you have any -- I heard him saying is on these various suggestions that you put forward that are under consideration for your final report, have you done a calculation of the gear-up time of these once you were given statutory authority? Am I capturing your --

MR. CACKETTE: Well, the first part is still the same, which is I think it would take typically a year after the authority to get the regulation in place and get the change implemented. And then because of the biennial cycle, to realize most of the benefit of the program based on two years (inaudible).

MEMBER PEARMAN: Next question was on the first improvement about the excepting out the cleanest five and six-year-old vehicles. That troubled me a bit. I mean, you just went through this process with AB2637 where you decided to keep the fifth year and sixth year vehicles in the program, and now essentially you're going to let some out, so to speak, if they pay this fee. And to me (inaudible) and that principle kind of troubles me.

There's a lot of controversy over your stationary sources and pollution credits and that type of thing, so if you allow a low emitting profiler to pay a small fee to get out, then if I have a high emitting profile vehicle I'll say I'll pay a bigger fee to get out. Is this the direction ARB is taking this?

MR. CACKETTE: Absolutely not. First of all, that's why we included it into the five and six-year-old vehicles and not for the ten-year-old vehicle that has a 15 to 20 percent failure rate to buy their way out.

What the data showed was that at five years I think it was failure rate was five percent or something along at five years and around closer to ten at six years old, and so the question becomes how do we find those percentage of vehicles, because we didn't want to exempt that five percent and that ten percent of the vehicles that would need repair, but on the plus side when we presented the data to the committee it also showed that as a group they weren't very cost-effective to inspect. It was like \$40,000 a ton, I think was the number that we had (inaudible). And so as a group it suggested to us we ought to be able to use a finer scope here, find the ones that have only a percent chance of failing, that subgroup, and let them out and leave the rest in, and that way we can improve the cost effectiveness and let some people out of the program and not lose emission reductions.

Then we said, well, but even if we do that we're going to be wrong some of the time, there will be some small loss, and maybe it just makes sense to cover that small loss with a fee that (inaudible). So the concept that you're suggesting is correct, but we're trying to suggest that it be implemented it in a very narrow way where the risks to air quality are really small and the benefits to the consumers are somewhat larger.

MR. DORAIS: If I could just expand on the response. It's not unlike something that's already in existing law, which is the first four model years that is the blanket exception statewide where the biennial take an annual smog abatement fee, and as the presentation indicated, the key point that's missing in this discussion is that it would be used to offset any emissions that might be left on the table by these vehicles. For example, with the smog abatement fee that's currently collected for those cars that have the blanket exception from biennial requirements, that money, part of it is used to fund the consumer assistance program, repair assistance and vehicle retirement programs.

CHAIR WEISSER: The concept is the same as that, but you'd be extending it to certain cars in the fifth and sixth year based upon their, I presume engine groups or something like that.

MEMBER PEARMAN: In improvement number two about eliminating the existing 30-year rolling exemption, I guess you

found this cost-effective at \$7300 per ton. And you also have looked at if you were exempting for the '66 to '75 models, and you mentioned you thought that was cost-effective at \$4300 a ton.

Just briefly, my naive intuitive view would have been it would be more expensive for those that never had to be in the program at all and therefore never got tested, it would be very expensive to get them back in shape, so to speak, and you indicate a much different view. Can you comment on that?

MR. CACKETTE: Well, first, there's an overhead cost to any car, which is you have to pay the \$54 for the inspection, so that's got to be paid regardless of the outcome, so we're adding cars in and adding costs there.

There are cars that have \$1,000 repair bills, but there's also cars in that older group that just need common sense maintenance, and so you can get fairly good emission reductions for a fairly low dollar. And one of the reasons for that is because their emissions are inherently so high, so if you use something that reduces 30 percent emissions when they're emitting at 5 grams per mile, that gives you a lot of tons for the dollars spent compared to trying to get 30 percent reduction from a 2000 model where it may only start at 1 gram per mile or less, so they have the getting large reductions for the repair that's done, but there is the group in there that will have extreme costs because

the vehicle is basically shot. That's where the scrap program comes in as an option.

MEMBER PEARMAN: My last question is on the improvement number four, the annual testing for high mileage vehicles, and you mentioned taxicabs. Do you have any other sort of global example in mind or do you envision the statutory change would be as specific based just on miles driven only, or what do you see as the basis for that?

MR. CACKETTE: Yes, I think based on mileage only or mileage above some threshold in which then BAR would have to make the regulatory finding that they felt these vehicles in general fit that category. Other classes would be package delivery vehicles, for example, which drive a lot of miles. But as I indicated in the presentation, I think it's going to be much more difficult to figure out that your car is in that category or not in that category on an individual basis, so many high mileage cars would probably not get included in the benefit, which is why we put it up to 23 tons. I expect we don't get the bigger fraction of that.

CHAIR WEISSER: May I follow up on that? Do you have a sense and could you provide the committee at some future time a breakdown between fleets and privately owned vehicles that you consider to be high mileage, let's say above 25,000 or 50,000?

MR. CACKETTE: I'm sorry, could you repeat the question?

CHAIR WEISSER: While you're hearing the question, I'm assuming that in the fleets you're talking taxicabs, delivery vehicles, as you said. Police cars, I assume, travel a whole bunch of miles. There may be other fleet sorts of cars. Dave.

MR. AMLIN: Dave Amlin, Bureau of Automotive Repair. We did try to go ahead and take a look at the vehicles. The complication is that we can go ahead through the Smog Check history we can identify vehicles that travel a lot. There's nothing in the DMV record or our record that says it's a taxi versus something else. Sometimes DMV marks cars that are police, sometimes they mark cars that are taxi. Like a delivery vehicle, a UPS van that's driven every day, there's nothing in the DMV records that says this is a UPS vehicle, there's not some designation like that that's associated with all vehicle records just to make that determination.

And taxis, while some are marked on DMV's database, others aren't. And (inaudible) because there's some law that -

CHAIR WEISSER: All right, I don't want to spend any more time on that one.

MR. CACKETTE: Let me just add, we record the mileage on vehicles, so you could go back and look at the current mileage or the previous mileage or the mileage two years before that,

figure out how many it ran, and use that as a criteria; however, that's a manually introduced thing in the Smog Check machine (inaudible) fraud and avoid that. That's something we'd have to look at.

CHAIR WEISSER: Thank you.

MEMBER PEARMAN: And one last question on these improvements. You look at these as being statewide, you didn't look at any of them being adopted only in enhanced versus basic to see if the impact was sufficient there?

MR. CACKETTE: Well, the clearly, number one, the five and six-year-old has already been implemented in that direction. I think high mileage and annual would be enhanced only unless there was an argument before implementation and if we should see it made to go on a statewide basis. We'd want to look at the benefits where the pollution is, not in Shasta County.

CHAIR WEISSER: Thank you.

MEMBER PEARMAN: Thank you.

CHAIR WEISSER: Jeffrey.

MEMBER WILLIAMS: I have three areas I'd like to ask about. One of them concerns the (inaudible) notices with the roadside testing of cars that had failed but had been supposedly fixed and that had failed again. Is that also evident in the next biennial check that the failure tends to predict another failure?

MR. DORAIS: Our prior test history is an indicator if it does increase the vehicle's probability of failure in a future test. Cars that are broken.

Now, there's a (inaudible) between vehicles having high emissions and high mileage, and so vehicles with high mileage are more likely or more frequently broken, I guess, than cars that are operated on (inaudible), so there is a connection between cars that fail and fail again.

MEMBER WILLIAMS: It seems to me several of your proposals might be compressed into the idea that if you fail you've got to get to come back next year and not in two years, and if you pass you get to come back in two years. That's going to catch a lot of the business where the repair is only temporary. Have you considered that proposal?

MR. CACKETTE: Yes. In fact, the statute for awhile actually had a provision on that. If you failed as a gross polluter you got thrown into an annual program. The Legislature removed that provision in a subsequent revision of the program. I can't tell you that they overtly did that, but when they issued the revision it had disappeared from the section.

MEMBER WILLIAMS: But you are effectively advocating for that.

MR. CACKETTE: That is one way of (inaudible).

MEMBER WILLIAMS: Have you looked at what would happen if, say, the cutoff for 1984 were applied to all earlier vehicles? Most would surely fail their first time, but they would perhaps be brought up to at least the 1984 levels. And from what I've understood about the amount of pollution in the '75 to '80, lowering it a lot it's virtually a certainty there'd be a lot of tons gained there, but it might be very expensive because everything would have to be brought to 1984. Have you attempted (inaudible) analysis?

My idea isn't clear, but you have cutoff now that go up with the age of the car. Let's say at age 15 it's we're not applying 2000 technology to you but you can start with 1984 technology, if you will, (inaudible).

MR. AMLIN: Currently, the statute is written as such that it doesn't allow us to do that. It says we can't be more stringent than the technology of the vehicle at the time. Of course, what you're proposing is to go ahead and go beyond that, and I think that Germany had a program like that, a retrofit program that required people to go ahead and put on catalytic converters and feedback computer controls on cars that weren't originally equipped, essentially making the whole fleet cleaner and looking more like a new fleet.

I think another program that the Air Resources Board looked at that was talked about at the SIP summit was replacing

the catalytic converters with instead of the old style, with a standard that would be the OBD catalyst replacement that could make the cars cleaner than they were originally equipped, doing other replacements on components.

But there are things that make the fleet cleaner. Some may or may not be practical. It's a little bit difficult installing a catalytic converter on a vehicle that never had a location with the heat shield and all that to go ahead and install it, so there are some complications with the retrofit program. Tom, is there anything you wanted to add on retrofits that are cleaning up old fleets?

MR. CACKETTE: Only that the retrofits that we've been thinking about replace a catalyst with a catalyst and an oxygen sensor with an oxygen sensor, but the replacements actually use a better technology than the original so, so they sit still in the same spot but they just happened to reflect ten years of better engineering, so that's the only kind that we have thought (inaudible).

MEMBER WILLIAMS: I know you've been thinking about this and I guess what I've been trying to get you to do is a comparison of dollars per ton that all the other programs get, that should be put in the context of retrofit. It seems that (inaudible) ought to be 20,000 per ton that says something about these other (inaudible) and if it turns out to be \$1,000 a ton,

well, we're doing something there, too. I think it would be helpful to have that comparison, as crude as it could be.

My final subject is (inaudible) something missing of the report. I thought that there would be some material comparing the performance of test-and-repair versus test-only, and why that isn't analyzed, because that's an essential part of the program.

MR. CACKETTE: It has been and it's in the report that you will see.

MEMBER WILLIAMS: Oh, okay.

MR. CACKETTE: It has been analyzed and it's in the report, but it didn't generate an opportunity for improvement, and so we didn't put it in this presentation, but it is in the report. There's quite a bit on station performance and different types and things like that.

MEMBER WILLIAMS: Thank you.

CHAIR WEISSER: Very good. Mr. DeCota, would you like another bite of the apple?

MEMBER DeCOTA: Thank you. The report, on other reports would it be possible that we see an estimate of the total emission inventory out there that's created by the California motoring fleet that's under the program. What's our total amount of emissions that are created by motor vehicles and our goals compared to that? In other words, I've never seen that, I don't

know what that is, okay, and I think it would help at least the Legislature and many of us to understand exactly what we're going after and what piece of pie we want to get in the emission program.

MR. CACKETTE: We will provide that to you. We had a lot of that at our SIP summit of what fraction are vehicles of the total and light duty vehicles and all that kind of stuff, so I'll present it, we'll get something together for the committee.

CHAIR WEISSER: It might not be a bad idea to include that in the report you submit to the Legislature, although I'm sure every member of the Legislature has that at the tip of their fingers.

MEMBER DeCOTA: In your estimates that are targeting reductions in emissions by different implementation strategies; i.e., another enhanced area, VOC emission reduction through leak detection and so on and so forth. It would also be very helpful if you could tell us what your goal is in reducing emissions in those categories over a period of time, then we can go back and look at how these programs are performing as they were originally stated to us, and are they achieving the goals and targets that we as a society need to obtain to clean the air.

In other words, each implementation such as in chart on page three, Program Improvements and Time Line, should also have a time line with regards to when do you feel it will achieve its

stated goal in implementing that strategy. That would help a lot from the standpoint of understanding and supporting these issues, from the standpoint of both cost and inconvenience to consumers and many other things. So I think that that would be helpful at least to this reader to understand the goals.

MR. CACKETTE: I'll just comment on the time line. Most of the items on there were action items and some new thing that was put into the Smog Check Program, and generally you get the full benefit two years later.

MEMBER DeCOTA: Okay, the full benefit is what, and how much does that get to the 500 tons a day? That's what I'm saying, do you understand what I'm saying?

MR. CACKETTE: Yeah. We have that in the original report, I don't remember the numbers off the top of my head.

MEMBER DeCOTA: Okay. But each program improvement should be tied to a goal which should be tied to a performance standard at some point in the reports, is what I'm trying to say.

When you do program evaluation I also noticed, and Jeffrey pointed it out, there wasn't anything to do with the different types of stations, and I heard you state that you plan to put in some performance criteria as far as, I guess, test-and-repair and test-only. What else is there? Gold Shield maybe as far as a component of test-and-repair. Are we going to

see emission reductions to the goal in those categories and how is that going to be broken out?

MR. CACKETTE: I'm not completely sure I understand the question.

MEMBER DeCOTA: Okay, let me do it this way. We have a goal of 100 tons a day, and will we see maybe a pie chart or something that shows what the reductions are being obtained by each type of entity? There's only one that reduces emissions, right?

MR. CACKETTE: Repair.

MEMBER DeCOTA: Okay. But what I'm saying is, of those tested and those that are identified through test-only or test-and-repair, okay, are we going to see what percentage of that goal is coming from those different marketing entities to the consumer? I mean — help me.

CHAIR WEISSER: Let's see if I understand it right.

MEMBER DeCOTA: Okay.

CHAIR WEISSER: What you're interested in, it sounds like, Dennis, is what percentage of emission reductions were generated by cars that were failed at test-only versus test-and-repair. But you really need to know a lot more because the test-only's tend to get a segment of the fleet that we know through the high emitter profile doesn't operate as well on the average as the ones that might just pop into a test-and-repair.

But that information, I think, would be informative to people who are interested in the program, including the Legislature, and I believe you have that already available. I remember something about it in the last year coming up, or six months coming up.

MR. AMLIN: I think you're probably recalling the station performance report that we covered that was done before where we did a very extensive analysis.

CHAIR WEISSER: Yeah.

MR. AMLIN: And with this report there is someone else to go ahead and look at (inaudible).

In terms of Dennis's question does it break down every part of all the program improvements we've implemented, the new areas and everything else, exactly what the distribution of tons is for each of those in that (inaudible).

In part, on all these things when we were predicting what the reductions will be for these elements, they are estimates based on some study, and then in reality what we do is that the proof is in the pudding. That's why we go out on the roadsides and we say what was the real impact? We know what happens when you do certain types of repairs in the lab and you see that you get great reductions, but when you actually implement that, you usually don't see the same things you do than the people in the lab who have great motivations, unlimited money

and everything else, and so some of these elements we make our best estimate and what we do is we go out on the road and see. Like gas cAP testing. There are some studies to look at that, but we just went out on the road. We went before and saw what the failure rate was and after and saw what the failure rate was, and that's what did here.

I think that we're going to do more extensive data performance analysis in the future, also (inaudible) continue to monitor. I think that Dennis's point that we want to measure to see our success (inaudible) recommendations in here and see if we don't want to do some things to make it a success.

Gold Shield was just reborn in July. We need to get that stabilized and then we want to go ahead and do an evaluation and try to do our best to go ahead and quantify the emission reductions from that new Gold Shield program.

So those are things that we want to do, and like always, we can't do everything or any given evaluation just because of our limited resources and the amount of time. Anything we didn't cover in that area, we do plan to do more in the future.

MEMBER DeCOTA: And my point is it is extremely important that we as a body in order to do our job and advise the Legislature and the regulatory agencies properly is we need to have a cause and effect, a performance standard, we have to have

it. I mean, we can talk about it and we've got all these program components which could drive cost to consumers and not reduce emissions, so we need to look at these things, both from an industry standpoint, a consumer acceptance standpoint, and hopefully a program performance standpoint.

And last but not least, and I've been on this committee since '93, I've never seen anything that is a proactive approach to emission reduction. I mean, isn't it our job to incentivise the industry that does the actual emission reduction, that being the test-and-repair industry, in order to have the ability or at least the incentive to be proud of the amount of reductions that they are able to obtain through their shops on an annual period of time?

I mean, we've talked about this for years since we went to the enhanced program. We have that ability within the machines, but we never use it to the best proactive pluses that we could give to the automotive repair industry for emission reductions, and I would love to see a report someday that adds that type of program in, because I think you'd be surprised what it would achieve in emission reductions from the standpoint of societal consciousness.

So, I don't know. I would hope that you would see something not just punitive from an enforcement standpoint, but

also something that is elective and positive from an industry participant standpoint.

CHAIR WEISSER: Perhaps along the lines of the repair cut points being somewhat better than just passing that was included in the report, or are you talking about –

MEMBER DeCOTA: That is true, that would be one method. Another would be if Mr. Weisser's automotive repair shop reduced nine tons of emissions by doing proper repair, I would use that as a hell of an ad to my consumers.

MR. AMLIN: (Inaudible) in terms of some kind of incentives and some express recognition, yes, I think that was probably the intent of the Gold Shield legislation, and what that does is it does in fact recognize reward stations that have met certain kinds of performance criteria. It does look at the emission reductions that those stations get, and along with that then they get certain privileges to go ahead and recertify vehicles that were originally directed to test-only, they can go ahead and get the additional repair dollars through the CAP program and certify gross polluting vehicles. So there is some recognition there. Beyond that, you're making a recommendation that it would be nice if BAR had calculated the tons of reductions by stations and went ahead and did some kind of a report on it.

MEMBER DeCOTA: I'm saying develop a proactive approach so the industry buys into reduced emissions, reduce the emissions on their performance of the work they perform on a car. There's a lot of my members, Gold Shield and CAP and others that continually tell me what a joke it is as far as the cars that they're repairing. The cars should not be on the road, they should not be registered. The only reason they're getting the CAP monies and the other issues is to go scrap them and sell them (inaudible).

We need to look at these kind of issues before they become embarrassing problems and find ways to proactively work with the industry and that type of thing on bettering the program.

The Gold Shield program as it exists today is not one that is largely utilized out there. We have 8,000 shops and 400 Gold Shield stations, or 500.

We do know that 25 percent of the test-and-repair stations perform as well as any test-only station, so what are we doing to drive down consumer inconvenience from going to shop to shop, getting the best repair that we can possibly get out of a repair shop with consumer acceptance and reduce emissions, what are we doing in this program to give those that are high performers the recognition that they should get in this public health issue?

CHAIR WEISSER: It's a good question and I think you made it very well.

MEMBER DeCOTA: Thank you.

CHAIR WEISSER: Do you have any further questions?

MEMBER DeCOTA: No.

CHAIR WEISSER: Mr. Kracov.

MEMBER KRACOV: Thank you very much. I just have a couple questions about some of the data, and Committee Member Hisserich expressed his naivete. It's his first meeting. Well, it's my third meeting, so I think I'm going to take the privilege of having naivete for a whole year, so these questions may be a little bit basic, I hope you don't mind. If you have the handout, my questions are on pages nine and ten.

Looking on page ten at the bottom you've got the charts there. Just so that I understand this, in these enhanced geographic areas, if there was basic, the number would be zero; is that correct?

Then flipping to page nine, the figures at the top. What is the measurement here, GMI, what is that?

MR. CACKETTE: Grams per mile of vehicle travel. The other one is tons per day.

MEMBER KRACOV: So for hydrocarbon you've got 13 percent reduction, it says enhanced versus the basic, so does that mean that - well, I'm going to tell you that I think it

means and you tell me if that makes sense. That for the cars that are going through the enhanced program, on average you're going to see 13 percent less of grams per mile of hydrocarbon than for the cars that just went through the basic program.

MR. CACKETTE: Tom Cackette.

MEMBER KRACOV: So what I'm trying to understand is, it appears that you're pretty consistent, 12, 13, 15 percent. You're getting 13 or 14 percent improvement in grams per mile for the enhanced program over the basic program, but then if we go back to page ten, the improvements on tons per day, I guess there's a translator there and that what I guess you should explain to me the improvements between the enhanced program and the basic program in terms of tons per day are far more than 12 or 13 percent, you're looking at almost tripling the tons per day between the two programs.

MR. CACKETTE: I think to correlate the two you have to know the question we didn't answer before which is how much overall pollution is there (inaudible). That's what's missing.

MEMBER KRACOV: Okay. Well, let's see if we can get to that, then, going again to page nine. You have a 13, 14, 12 percent reduction between the enhanced and the basic. Do we have any numbers -- I know that you have them, maybe you don't have them in hand, but what are the percent reductions between the

basic program and having no program at all? Do we know what those numbers are?

CHAIR WEISSER: That would be this.

MEMBER LAMARE: So the 15 percent is an average for the vehicles? And the number on the other side is about all the vehicles?

MR. CACKETTE: Yeah, I don't think we have percentage (inaudible). I just don't know (inaudible).

MEMBER KRACOV: Yeah, and I'm just trying to understand this and these questions are probably pretty naive, and I know that some of the members of the Assembly that are going to read this probably are not going to be experts on it, either, but I think it's helpful to have a sense of how these figures relate toward each other. Is there a translator between the grams per mile that you're talking about in these 13 to 15 percent reductions and then a very large tonnage increase of 200 percent reductions between the basic and the enhanced when you look at the tons per day.

And to have a sense that we're talking apples to apples and oranges to oranges, if we have no program, what are the numbers in terms of grams per mile? If you've got the basic, these are the numbers. If you've got the enhanced, these are the numbers, and you would probably help translate it to your figure on page ten.

MR. CACKETTE: I think we give numbers and the height of those blue and bars, if we're getting 15 percent reduction between the middle and the other and you can see there's a difference of about 150, 130 tons difference that the percentage reduction of basic is zero and has to be somewhat less than half of what we're getting from between there, so it's probably 5, 6 percent.

MEMBER KRACOV: Okay. Well, I'm just going to try to digest some of this and I have some other questions about (inaudible).

CHAIR WEISSER: I guess earlier in the day to building on Gideon's question I asked on page ten whether that first column on the bottom, 2002, if basic, if that represented the increment of emission reductions you get out of a basic program compared to no program, and I thought that was answered in the affirmative.

MR. CACKETTE: That's correct.

CHAIR WEISSER: Okay.

MR. DORAIS: John has pointed that complicating the simple scaling is, I may have to regret putting this chart in here. What's so complicated is that each of three groups have different program enhancements. For example, the basic one doesn't have anything for the NOX, of course, so we get NOX reduction in the basic program and it has very little on evap.

The second one has some evap in it. The third one has more cars than the second one does, so there's a number of variables changing.

CHAIR WEISSER: And the baseline is getting this pointed out in terms of the overall emission characteristics is lopped off of the chart. I think those are pretty good questions.

MEMBER KRACOV: Okay. But I guess overall is it accurate to say the conclusion you could draw from this is the improvement in the teens in the grams per mile between the enhanced and the basic program, when you say it's better by 14 percent, that's something, it doesn't knock me over in my chair. But then when you take that 13 percent of hydrocarbon, 12 percent of NOX, and you times that by all the cars that are out there, you're getting very significant reductions, and that's the point you're trying to make with these slides.

MR. CACKETTE: Yes, that's absolutely correct.

MEMBER KRACOV: And I think that it's a little counter-intuitive, and so I thin it would have helped me to explain why that is maybe.

MR. CACKETTE: And obviously there is the (inaudible) just in the basic program.

MEMBER KRACOV: Thanks.

CHAIR WEISSER: Anything further?

MEMBER KRACOV: Maybe later.

CHAIR WEISSER: I'm sure there's going to be many
laters to have on this, so don't feel like you need to get every
question. We've just been presented with a broad summary in
visual form of a report that, knowing ARB and BAR, we will choke
on the amount of words that we will have to read, and then we'll
want to get behind those words. You're going to have many
opportunities to delve into this at whatever death we choose.

MEMBER ARNEY: Thank you. My question is regarding
enforcement, and I'm curious how many does the bureau have that
are involved strictly in enforcement and how many have you lost?
I know you said you lost a hundred staff members. Are those
strictly enforcement folks?

I'm also interested in the nature of the enforcement.
I've heard on occasion that there are shops out there, and I
don't mean to say that it's commonplace or anything, but they
take money under the table to pass vehicles, and I'm curious if
there's any estimate on how much tonnage that we're releasing
into the environment because of that sort of activity.

CHAIR WEISSER: Just for record we'll identify this as
Paul's question.

MR. AMLIN: A couple things. (Inaudible) some of the
numbers I mentioned in terms of 91 overall and 28 positions for
enforcement. I'd need to check with our people who put that

together, but I think that there are also (inaudible) which may not be counted.

CHAIR WEISSER: So how many people are in enforcement, Dave?

MR. AMLIN: Like 28 plus.

CHAIR WEISSER: You lost 28 and you have 91 positions now?

MR. AMLIN: 91 overall, 28 in enforcement.

CHAIR WEISSER: I'm confused. How many people are in the enforcement program?

MR. DORAIS: Probably 150 Smog Check positions in the field, and 28 positions or so lost, since 2001.

CHAIR WEISSER: So you've lost about between 15 and 20 percent of the positions that you had in the field for enforcement. Thank you.

MEMBER ARNEY: Now, are those just for like geographic, statewide, are they focusing in certain geographic areas? How is that being handled?

MR. DORAIS: I believe those are statewide.

MEMBER ARNEY: Okay. Do you have any estimate on the tonnage that is released into the atmosphere because of the fraud or lack of enforcement; is that something that's even been complicated?

MR. CACKETTE: Again, I think it's part of an overall element and it's hard to assess any single given item. If you first at the cars that aren't fully repaired that fail later, is that due to an incomplete repair or was it due to people not taking their time to do the right kind of diagnosis that they are capable of doing? There are different issues there and it's hard to go in and say is 40 percent here, 60 percent there, and it's impossible to go ahead and accurately attribute whether it's just enforcement versus are the cut points not stringent enough to go ahead and force a repair. It's a combination of things that have occurred and (inaudible).

CHAIR WEISSER: Is that it?

MEMBER ARNEY: Yeah, thanks.

CHAIR WEISSER: Mr. Hotchkiss.

MEMBER HOTCHKISS: Thank you. I have a number of questions. Go back to the people you've lost and I'm kind of confused, because you say you've lost how many positions since 2001, or how many enforcement positions?

MR. CACKETTE: 91.4 total.

MEMBER HOTCHKISS: Okay. How many employees or program representatives —

MR. CACKETTE: 28 in enforcement.

MEMBER HOTCHKISS: How many program representatives has the bureau hired since that time, since 2001?

MR. CACKETTE: That's the net loss. You just take the net total of what we had and what we lost and you'll see net sum change.

CHAIR WEISSER: Are you talking personnel years or are you talking positions?

MEMBER HOTCHKISS: Personnel.

CHAIR WEISSER: You (inaudible) budget? Positions. Okay. So you have lost how many positions overall in the department, 91?

MR. CACKETTE: That's just BAR.

CHAIR WEISSER: In BAR, excuse me. And 28 of those were enforcement positions. That's a separate question than how many people have you hired.

MEMBER HOTCHKISS: Well, my point is that there are no — I mean, there are program representatives, that is the classification. There are some who are assigned to enforcement, so what I'm trying to look at is from 2001 to now are you saying the absolute number of program representatives has declined?

MR. CACKETTE: I only have some very basic numbers that we've prepared for the report.

CHAIR WEISSER: I don't know what the answer is, but I do know being 23 years in the university of state government that many departments carried vacant positions on their rosters which they retained by shifting people in and out of them at opportune

times during the year to avoid the automatic loss of the position through the budget process. That process was essentially banned by the former Governor and Department of Finance about a year and a half ago, and the final execution of those unfilled positions through section 20 of the budget took place at the end of the last fiscal year.

MEMBER HOTCHKISS: Okay. Tom, I have a question on you were talking about California residents who register vehicles out of state to avoid registration and the smog inspections, that you thought CHP did a good job on that, and I'm just wondering if you have statistics how many of these people do CHP catch per year?

MR. CACKETTE: No, I don't have statistics and that was mainly a personal judgment, not a qualitative one.

MEMBER HOTCHKISS: Okay.

MR. CACKETTE: (Inaudible). I just know that they were incentivised at some time by (inaudible) to give some priority to it (inaudible).

MEMBER HOTCHKISS: Okay. The vehicles that are in the change of ownership areas that are basin, I'm more concerned with the coastal areas and San Mateo County and Santa Cruz, the basic areas there.

You've admitted that vehicles in Tijuana move, because we want to inspect those and we have a program there, yet both

Santa Cruz and coastal San Mateo County weren't brought into the enhanced program, and I'm rather confused on why they weren't.

I know Half Moon Bay, for example, although Half Moon Bay is not a large town, a large percent of the people that live there work over the hill.

Smog Check, if you know anything about the area, you know that Highway 17 from Smog Check to San Jose is (inaudible), so obviously the people who live in Smog Check (inaudible). And it just seems to me that we're missing a whole bunch by excluding these areas.

As the chair mentioned before, vehicles move, that's why they're built. I can understand it if you're in northern California in a county that has maybe 100,000 people in it, but when you're in counties that are perhaps primarily urban and you exempt a few specific areas, it doesn't make a lot of sense to me.

CHAIR WEISSER: Thank you. I think that's an issue we need to develop. I don't want to go on.

MR. AMLIN: When AB2637 passed it has specific language in there in terms of what qualified an air quality district to get one it had to be in the air district's region and then that it be urbanized, and there's federal census data that we rely on to go ahead and make that determination and look at which ones were in and out and met that population criteria, or were

connected in a way that made them part of that urbanized region, and essentially it's a legal definition to go ahead and (inaudible) said the entire Bay Area Air Quality Management District, that's exactly what was implemented.

And they did put in some additional language, have no idea why, but that ended up excluding some areas, Point Reyes (inaudible).

CHAIR WEISSER: We'll get Paul's boss to fix that.

MEMBER HOTCHKISS: I have a couple more.

CHAIR WEISSER: Please.

MEMBER HOTCHKISS: There was some comment on motorcycles and I know motorcycles don't perhaps contribute a lot of pollution. It's my understanding that a large number of current motorcycles come from the factory equipped with some pollution control equipment. A lot of motorcycles have catalytic converters and I've heard anecdotal evidence that it's virtually impossible to buy the major American motorcycles from a dealer with a catalytic converter on it, that the dealers are removing the equipment before the thing is sold.

Do you know is there any – and I know it isn't a bureau enforcement action because it's probably more DMV, is there any enforcement action to make sure that motorcycles are kept in compliance?

MR. CACKETTE: Well, first of all, motorcycles since 1978 have to meet emission standards. They're not as stringent as cars, but there are new emission standards that have to be met before a vehicle can be sold in California. They are getting more stringent. As of right now I think all the BMW's come with a catalyst, most of the other ones do not. I know Harleys and by 2008 all the cruiser bikes will all have catalysts on them.

As to who takes what off the bikes and does what to them, I don't think they're being tampered a great deal in virtually all the exhaust systems, but the exhaust system right now doesn't play a big role in a bike's emission control, it's the engine and the fuel injection system that does the burden of the emission reductions right now. In the future that's going to be more of a problem when they all have this on them.

MEMBER HOTCHKISS: It's my understanding that some Harleys do come with catalytic converter, and my understanding is that none of them leave it on, so it would seem to me that there is an enforcement issue there.

CHAIR WEISSER: And in terms of this report, I guess it would be good for the committee to get a better sense of the slice of the emission pie put forward by the motorcycles element of our fleet. I don't have any idea of any magnitudes.

MR. CACKETTE: Very small.

CHAIR WEISSER: Very small is very little information for me. I mean, I'd like to know what tons there are in relationship to the universe.

MEMBER SKAGGS: Mr. Chairman, a quick comment. We did a study on motorcycles, especially two-stroke. Two-stroke puts out about 20 times more than an average car because of the oil that gets in the fuel, so it's a lot of tonnage there on the two-stroke, right Tom?

MR. CACKETTE: Well, for on-road motorcycles there basically aren't any two-strokes.

MEMBER SKAGGS: A lot of those people I see in my neighborhood, they're all riding these motorcycles around the city and they're off road, they're two-strokes and they're smoking like crazy.

CHAIR WEISSER: We have a limited amount of time and there are people in the audience who have waited extraordinarily patiently for an opportunity to talk to us. If you could just provide us with a little data on that, I'd appreciate it.

Bruce, any further questions? We'll have Ms. Lamare, then we're going to take a ten-minute break, we'll come back, I'll ask some questions. Then we're going to open it up to the audience, and then at about seven or eight p.m. we'll talk about how we proceed here. No, we're going to keep to the time schedule and if anything we're going to leave if possible early.

But Jude, I know you have a series of questions.

MEMBER LAMARE: Thank you. First of all, I think most of us, like Gideon looking at the report for the first time we do have questions about metrics, methodology, quantification, and appreciate getting brought up that question about how these two charts could be interpreted in terms of each other.

And the way I see it, the first chart is grams per mile, which means out of the tailpipe to me. An the second chart indicates all tonnage reductions, which is more than what comes out of the tailpipe because evaporative is part of that.

MR. CACKETTE: And the number of vehicles and the enhanced miles traveled, it would be all added up for an area.

MEMBER LAMARE: So the questions that I have and maybe other committee members have fuzzy areas in terms of the measurement, the measurement of the benefits, the range of the estimation.

I would like to suggest that Jeffrey and I form a subcommittee of two. Both of us have a lot of experience with statistics and research methods and quantification.

CHAIR WEISSER: A motion has been made to establish a subcommittee on metrics to work with the Bureau of Automotive Repair and the Air Resources Board to get a better handle as best they can on the metrics that went into certain methodologies and the like that went into this draft report summary. Is there a

second to that? Seconded by Mr. Hotchkiss. Is there any discussion in that regard? Remember, we need to keep these little working committees to two members, otherwise the Brown Act comes in.

So, Gideon?

MEMBER KRACOV: Yeah, we talked about this issue and the committees and the different interests and experience that the committee members bring, and I know this was an issue that we, at your suggestion Mr. Chairman, wanted to defer to so we could have a real good discussion on which committees were necessary, and I think that this is a great idea, but I'm awaiting that discussion and maybe we could have it then.

CHAIR WEISSER: An amendment to the motion has now been offered to deal with the question of establishment of the committee as suggested originally by Member Lamare. The amendment to the motion has been seconded by Mr. DeCota. Is there any discussion on the amended motion? I'm going to get out my Robert's Rules pretty soon.

What I hear you suggesting, Gideon, in English is that let's not develop a committee structure yet alone that's due in the context of an overall approach. That's my understanding. Does that accurately capture what you think?

MEMBER LAMARE: I withdraw my motion, thank you. I'd like to go on with my questions.

CHAIR WEISSER: Thank you.

MEMBER LAMARE: We're not going to do a committee.

CHAIR WEISSER: The motion is withdrawn.

MEMBER LAMARE: Okay, thank you. My next question has to do with how do you in this report account for the benefits of scrappage? It seems to me that scrappage is part of Smog Check program, that it doesn't work independently. Maybe I'm wrong, but it seems like you would want to account for that and I don't see it in your report.

MR. CACKETTE: We haven't accounted for it in these charges charts, especially the one comment, the one number we did to get this information, the number of vehicles that have been scrapped under consumer assistance is a lot of money, four to six thousand, I don't remember the exact number, that that was worth about four tons per day, and that's that side calculation.

CHAIR WEISSER: That's included in the report, the draft report?

MR. CACKETTE: That was not included in the percentages or anything like that, but it's a side calculation that was done for the scrap program.

CHAIR WEISSER: Does your report address the scrappage program?

MR. CACKETTE: Not other than commenting that we have one for not only for cars that will be used for scrap with the reductions that go with that one effort.

MEMBER LAMARE: Well, I think you should.

My next series of questions has to do with evaporative emissions. In my experience, evaporative emissions have become increasingly important in the SIP. The ozone days where we have the violations are very hot days and evaporative emissions are very, very high. And the car doesn't have to be motion in order to contribute to the (inaudible) of the ozone equation.

And so, how, for example, do we control for evaporative emissions in cars that are passing cars and are not required to go through the inspection that go into the repair side; are they screened for evaporative emissions in the inspection and maintenance process?

MR. AMLIN: A few things. The Smog Check test on a statewide basis does include gascap check, includes a visual leak check, includes a visual check of the evaporative control system. In the future when we get the equipment that tests and certifies it will also include a pressure check for vehicles that are ten years and older, and so that is just part of the Smog Check, they have to pass that test in order to get certified, and that's independent of the tailpipe test, they get those other independent checks.

And in terms of the quantification and evaluation, we do count, when we come up with the tons reduced, we do count evaporative emissions in this.

MEMBER LAMARE: Okay, it's not in the grams per mile but it's in the total tonnage.

MR. CACKETTE: Yes. And also let me say that the 1996 and newer vehicles that have OBDII on them do their own evap pressure test regularly as you drive the car.

MEMBER LAMARE: So in terms of passing cars, in terms of exempt cars, how do we know that the exempt cars are not emitting excessive evaporative emissions?

MR. CACKETTE: For the zero to four-year-old cars, those are essentially all OBDII cars now, so they have the check engine will come on if there's a seep in the system of 40/1000's of an inch in diameter equivalent, so they do that check regularly in those vehicles, so there's some (inaudible) there.

For older cars we've had evap systems since '72, I believe it is, so some of those cars that are now exempt, '72 to '75, have an evap system that gets no check at all at the moment, because if they were newer than that it would be just the gascap check, and then starting this summer it would be a pressure check.

MEMBER LAMARE: And in terms of clean screen, how would clean screen look for evaporative emissions?

MR. CACKETTE: It doesn't, not on the basis of things like remote sensing or anything like that, it would have to be based on some pattern of information on the car like certain models have demonstrated by other means that they have a durable evaporative system. (Inaudible) like Dave was saying is they may not do the pressure test on vehicles until they're ten years old, essentially low emission profile. Screening (inaudible) evap problems for newer cars at least (inaudible).

MR. AMLIN: And again when we say clean screen that can include the low emitter profile and that will have some information on the change of ownership cars we can look at failure rates, and when we look at failure rates we do look at visual, functional, overall tailpipe and so on and we break that down to some vehicles that had a particular problem in one area we want to consider that towards its overall failure probability in our decision whether or not to release those vehicles.

MEMBER LAMARE: Well, I think it does make it a little more complicated for people to understand these different parts of the Smog Check Program and their contribution to our air pollution problem, but it might be helpful in the report to distinguish the evaporative problem from the tailpipe problem and what percentage of benefits we're getting from those and sort of educate the audience on how it works.

Now for a different topic. This, as I understand it, is a fee-based program that doesn't have General Fund support, it's intended to be able to support itself from the fees, so why would there be program cuts or lost positions for a fee-based program?

MR. AMLIN: That's a great question.

CHAIR WEISSER: Good response, Dave. Next question.

MR. AMLIN: Anybody that watches all the news and newspaper articles and everything else that say almost all the cuts are made across the board, and we could all discuss why that might be, but of course some of that is probably just to show the people are having a tough government watching costs, and they cut special funding just like they did general funding (inaudible) we would know theoretically one wouldn't help the other.

They also did take loans from special fund agencies, borrowed some of that money towards the general fund, as is the case with our program. I think it's a \$114 million loan to the general fund from BAR.

So that's -

CHAIR WEISSER: Okay, thank you, Dave.

MEMBER LAMARE: Wouldn't one statutory recommendation that you would want to make is to create not a theft-proof trust fund but a lockbox for your trust fund?

CHAIR WEISSER: There's no stronger lockbox than the California transportation fund, and that has been liberally exploited during the fiscal crisis to provide both cash and loan rollover of -

MEMBER LAMARE: The chairman disagrees with me on this.

CHAIR WEISSER: Well, I just wish we could come up with an approach -

MEMBER LAMARE: Well, I think it's an issue for the report and for the agencies that they ought to consider this a little bit more. We need a stronger trust fund to protect our air quality in California.

CHAIR WEISSER: The constitution theoretically protects the transportation fund, but apparently not sufficiently. I'm not sure any statute we could devise could ever protect it.

MEMBER LAMARE: The transportation is rather large, a big huge target.

CHAIR WEISSER: I respect the sentiment behind the suggestion you've offered.

MEMBER LAMARE: All right. RSD. Will RSD be paid for from clean screen fees? If people are getting exempted from Smog Check because of the RSD system, does it make sense to have them pay a fee that pays for that system or how would you propose that the RSD system be paid for?

MR. AMLIN: The answer is, yes, it seems appropriate that people pay for it, because (inaudible) make the decision that their vehicle pass or fail, it seems appropriate that they pay for that cost.

CHAIR WEISSER: Maybe perhaps even above and beyond the cost of the inspection to include some amount of money that would be more than the mere cost of the inspection but less than that which a normal Smog Check would cost, the elusive mysterious \$54 average charge, and a portion of that money could be used to fund other emission reduction programs.

MEMBER LAMARE: And that leads to another question about the size of the fee for exempt vehicles and whether your report will include the size of California's for exempt new vehicles versus the fees charged in other similar states.

CHAIR WEISSER: Is the suggestion that there are states that are charging more than California?

MEMBER LAMARE: Arizona is charging more.

CHAIR WEISSER: Ah. And that that would generate more money for effective emission reduction programs?

MEMBER LAMARE: I think we're very dependent here on the agencies to provide adequate information for the Legislature and for the IMRC to make reasonable decisions, and if we don't get information about what other states are charging for exempt fees for vehicles, then we're sort of walking around like this.

Please, would you provide information in your report about fees for Smog Check, fees for cleaning up vehicles whether they're exempt fees or certification fees.

MR. AMLIN: In response to the question, the report we're just looking to get approved, so there's not something in the current (inaudible) that we will add. I don't believe that there is that comparison in the current report. We are working with the California clean air dialog group and others to try to go ahead and formulate how to increase revenue and we've discussing (inaudible) do that. Some of the discussion is using surplus from the fund and such fees, and so those things were considered. We don't have it in report now and part of some of that is going to be policy from the administration which types of fees that they're consider or are going to be acceptable for us to put out there as an offering, I think, but I think certainly it's an item for discussion and it's a great item for the committee to go ahead and provide their input on and make recommendations and it seems like it wouldn't be a difficult thing for us to do.

MEMBER LAMARE: I'm wondering why we don't have a dedicated deputy AG for Smog Check enforcement paid for from Smog Check fees.

MR. DORAIS: We don't have an answer to that question at this point, but we can (inaudible).

MEMBER LAMARE: So in terms of your recommendations on enforcement, I want you to consider an outline. Since it's supposed to be a fee-based program, it seems to me it shouldn't be dependant upon the AG coming forward out of the goodness of their heart to do your enforcement work.

Okay. You talked about repairs below the cut points and mentioned that the goal for those repairs would be the normal performance for the engine family. Do you believe that that would require statutory change or that you would be able to do that under your existing regulation?

MR. AMLIN: There has been some debate on that. I think that we're going to go ahead and try to proceed with regulations if that is possible without having to change the statute (inaudible).

MEMBER LAMARE: Now, the 1996 to 2003 SUV's and pickups were manufactured with an emission standard that I guess was a truck standard rather than a passenger car standard, and then beginning in 2004 we're now looking at an SUV standard that would be more comparable to a passenger vehicle standard; is that right, Tom?

MR. CACKETTE: Yes, that's true. In those earlier years the light trucks were anywhere from 30 to 70 percent higher emitting. Those numbers are still very low compared to older

vehicles and that difference doesn't effect the cut points. Cut points are quite lax compared to that variation of emissions.

MEMBER LAMARE: So do you see any opportunity in that group of vehicles to improve emission performance through Smog Check?

MR. CACKETTE: Well, our data shows that those vehicles after about four years do have a failure rate.

MEMBER LAMARE: But you would fix them up to something that was 30 to 70 percent higher than a passenger vehicle. You don't see —

MR. CACKETTE: The end result would be that, yes. That's if we fixed them all the way. Right now there are probably failing vehicles that could be fixed to several times higher than slow pass, because the cut points are not that stringent. That's probably one of the reasons (inaudible) make a full repair.

MEMBER LAMARE: So there's room in those vehicles to do an after repair more stringent.

MR. CACKETTE: Yes, not to change their inherent emissions. They'll still end up being 30 to 70 percent higher than a car until the 2004 model year.

MEMBER LAMARE: You mentioned that there were a number of pre-96 all-wheel drive vehicles that aren't getting a

dynamometer test. Do we know how many there are? Is that a number you could come back with?

MR. CACKETTE: Yeah, I don't think we know how many there are right now. We'd have to go back and look at that.

MEMBER LAMARE: Someone mentioned to me that hybrids don't get Smog Checks or that you can't do a Smog Check on a hybrid gas engine.

MR. CACKETTE: Well, I don't think any of the hybrids are subject to Smog Check (inaudible), but that's probably true.

MEMBER LAMARE: So have the agencies taken a look at how to anticipate and get ahead of the game on that one?

MR. AMLIN: The hybrids (inaudible) Smog Check test. There are some other things inherent about hybrids and that is, for example, (inaudible) can go ahead and get up to a fair speed without the gas engine turning on, so it's conceivable that such a car could go ahead and run through a dynamometer test without the engine ever running. Right now our analyzer would see there's no exhaust gas and actually wouldn't allow anybody to continue a test.

And the other ones could be running 80 percent on battery power (inaudible) gas, in which case we couldn't (inaudible). So there are some technical complications. We are actually trying to work on some plans and I think we'll probably rely on on-board diagnostics that will require us to go ahead and

make some changes in the software and the analyzers to accommodate that.

We've also been in discussions with the vehicle manufacturers and Air Resources Board and we're actually looking at putting on some kind of a interim policy with all models to go ahead and address those issues.

CHAIR WEISSER: Jude, any further -

MEMBER LAMARE: I think that they've got an answer.

MR. AMLIN: Three point six percent is about the current level of all-wheel drive vehicles. It's increasing with time but that's as Tom's comment that we see the all-wheel drive being (inaudible) as one associated with the newer vehicles. The older vehicles tend to be what you call four-wheel drive, the distinction being that you can disengage four-wheel drive but all-wheel drive you can't, and so we see it as something that's more associated with new cars that will be a shrinking issue with older vehicles as the attrition (inaudible) the older fleet, and so we're trying to assess is there a way to go ahead and take care of that shrinking fleet of vehicles that we can have either OBD or an loaded mode test, that's something that we are looking at.

MEMBER LAMARE: You mentioned the desirability of doing a smoke test and that that would help reduce particulate matter emissions from light duty vehicles, and that raises an issue I

think is important, which is accounting for the reductions in air toxic risks from Smog Check and light duty vehicles. The role of Smog Check in reducing exposure to air toxics and, for example, older vehicles that we're trying to keep in the program and improve their profiles, are they emitting more benzines than the average vehicle and the newer vehicles, and are we having benzine hot spots in the state where these older vehicles may be contributing to increased air toxic exposure. This is kind of an ARB question in the sense that we tend to think about ozone reduction here and toxic risk reduction over here, but we're talking about the same vehicles and here we have the Smog Check Program where we could maybe be accounting for quite a few reductions, but I'm not aware of any documentation on the air toxics emissions from light duty vehicles.

MR. CACKETTE: We have an inventory of the air toxics which are primarily benzine (inaudible) formaldehyde, and in general (inaudible). We know if you reduce hydrocarbon by X percent what kind of percentage reduction you get from each one of those pollutants, so we have the ability to make a rough estimate of what is happening. I don't know of any specific targeted actions that can be taken that would individually target those three or four pollutants through maintenance.

MEMBER LAMARE: I think it would be helpful for the Legislature to know that in the Smog Check Program you are

reducing an estimated so many tons of benzine (inaudible) and formaldehyde every year, because in my experience, the legislators are very sensitive to their role as protectors of childrens' exposure to air toxics.

What about the leak fixing that you're proposing, wouldn't that result in smoke reduction?

CHAIR WEISSER: You're talking about the pressure testing?

MEMBER LAMARE: No. Liquid leak inspection.

CHAIR WEISSER: Oh, oh, oh, oh. The visual leak inspection.

MR. CACKETTE: I don't think (inaudible). The kinds of leaks that are looked for are cases where the injectors where the o-ring seal is leaks at the fittings in gasoline lines, things like that that leave on a warm engine leave a pattern of residual and you can kind of tell it's there, but the gasoline that's leaking goes to direct evaporation.

MEMBER LAMARE: It's not where the oil is leaking?

MR. CACKETTE: Yeah, it's the gasoline, so it goes directly to a hydrocarbon vapor and not to smoke.

MEMBER LAMARE: Thank you. There's different reasons why you do the report, it think, and I'd like to suggest that you look at the U.S. requirements or the EPA aspect of the report as somewhat separate and distinct from the legislative report

regarding California law, because it's just something to think about that sometimes we have to tell the Legislature and the people of California that we're doing something because EPA wants it that way or it's part of our obligation under federal law. Sometimes that gets people confused about what we're really doing, just cleaning up the air. And to read some things in your report that you do because you have to tell EPA that aren't that relevant to what we're trying to do in California, in which case I would recommend that you de-emphasize those things and emphasize the things that we're doing, express them in terms that make sense here.

Sometimes I hear this out in the real world that there's a difference between the real world and public health and SIP, and we do things because of SIP is really something really crazy and bureaucratic about that.

MR. CACKETTE: Well, when you read the July 2000 report you would have seen that we have numbers cast into 1994 terms what we knew in those terms because that was locked in the SIP. And then we have the real numbers which were what we actually saw as emission reductions, and we had what they called adjustments.

We're very fortunate this time that since we ran the (inaudible) test all of 2003, it is all the same. So any analysis done now lays out the same information and there's no need to have this difference.

MEMBER LAMARE: We're not having to double count everything.

MR. CACKETTE: No, or try to put it into the language, so to speak. And we do have a reporting requirement to EPA that's every two years, but that's something (inaudible) the use of this report, send a copy to them when it goes to the Legislature for them to consider that.

MEMBER LAMARE: Thank you. Does anyone else a benefit of asking whether we could do a webcast on a hearing on this, or reports? I was really impressed with the way the summit went and the fact that people could participate in the summit, watch from all over the state on their own computers and track along and send in questions.

MR. CACKETTE: Yes. You're welcome, if you'd like to have your next meeting or the ones that we like to do that at our facility, we can webcast it, we could have many other people online and they could send their questions in over an internet site, so you could see it on your tv or screen. Your computer has screened about three or four inches square here in the audience and (inaudible), so we'd like to do that and we might propose that.

CHAIR WEISSER: It think that's an interesting idea.

MR. CACKETTE: We would like to do that but we lack a full staff. The only question is that we have either one or two facilities that could do that (inaudible).

CHAIR WEISSER: Is there one in Maui?

MR. CACKETTE: I'm not sure. Ensenada is the only one.

CHAIR WEISSER: Jude, I'm wondering if you have any further questions? I have been requested by prominent members of this committee to take a break, a bio break and medicinal break for ten minutes. While we're on this break, committee members, if you could think among yourselves or with no more than one other person of suggestions as to how we might want to organize to move forward I'd appreciate it.

I'm going to have a few questions and comments, then I want to move into a brief discussion on how we organize to move forward. And then we have a brief amount of time left for public comments, and we'll go from there. So ten minutes from now, folks, thank you.

(Off the Record)

CHAIR WEISSER: Back on the record. Okay. I've got a couple of questions I want to put out and then we'll talk a little bit about the organization and then move into our public comment period.

In the 2000 report you showed the areas of the recommendations that you've implemented and the time track of how

they were implemented. Were there any recommendations from the 2000 report that have not been implemented, and if there are could you give us a list of those at some future occasion?

MR. CACKETTE: One is the pressure test, which is scheduled to be implemented this summer. And the other one is getting legislation to eliminate the 30-year rolling average, which we attempted and failed to do.

CHAIR WEISSER: And outside of those items there were no other recommendations in the report that have not been implemented?

MR. CACKETTE: Well, there was a remote sensing study to be performed and we started it but not completed it. All the other ones have been implemented.

CHAIR WEISSER: Thank you. I didn't notice in your presentation any discussion regarding the warrantee of smog or emission control equipment on cars, the length of the warranty, and an assessment of whether or not that would be a desirable thing to look at and perhaps adjust. Is there something in the actual written report that will be covering this area?

MR. CACKETTE: No.

CHAIR WEISSER: Nor did I hear a discussion of enforcement in terms of some of the issues that we've heard raised at the meetings that I've been honored to attend over the last year associated with the took kit that the bureau has in

order to carry out its enforcement program, which right now, it seems to me, consists of the atomic bomb, and if you can't use the atomic bomb, there's not much you can do.

Vice-chair Covell suggested that some sort of approach that would allow a settlement agreement to take place might be helpful in the operation of the program, but I didn't hear you say anything along those lines your report. Is there any discussion of issues in the report associated with the enforcement program and the suggestions that have been made today?

MR. AMLIN: First, I'm probably not the best one to go ahead and talk about all the enforcement issues (inaudible) that there's nothing between a nuclear weapon and nothing. I think I tried to cover some of the things in terms of elements that have been implemented and have benefit discussed at some of the previous meetings. We've got things that we can give feedback to stations, everything from a station to (inaudible), to office conference to a corrective QA visit where they go over issues, citations, from citations to some type of administrative actions. Criminal activity would be filing a case with the attorney general or district attorney or whatever. I think there's a variety of actions that can occur, I think from a global warning all the way on up, and so I'm not sure that there's only a nuclear weapon available.

I think that there's some discussion in the report about enforcement and the areas BAR has identified as (inaudible). I think the best thing is to take a look at that section and then if there's things that you think are outside or beyond that, that those are things that we'd like to hear back comments from the committee and get some suggestions as to what might be items (inaudible).

CHAIR WEISSER: Thank you, David. And we have, for the benefit of the newer members on the committee, established a ad hoc working group of our vice-chair, and I forgot who the second one was, I think it was Mark Martin, to look at some of the enforcement issues. Neither of them are here today, but I'm sure that we will put that on the agenda for a little status report at our next meeting.

I'm concerned over the timeliness of the dataset that was used for the basis of this report. I've made fun over the repeated delays, but the serious part of those delays is that the data that you're using is how old, a year and a half or two years old now, and gosh, it'll be that plus some before the Legislature receives your report and even more from the time that this committee gets to review the report and submit its report to the Legislature. And one of the things that I'd like to look at and somehow examine is the implications of the data being stale, is

that undermining any of the findings that you would come forward with.

I also think it will be important for us at some level, hopefully not the level used in the review of the 2000 report by the prior IMRC, to look into the survey sampling techniques that were used and the modeling techniques that were used. EMFAC, which is what CARB has relied on for many years, has gone through many iterations to try to estimate the mobile source universe of emissions, and over the last decade it's been remarkably improved. Some sense of its stability and predictability would be a desirable thing for us to get at, so I think we are going to have to look at data, but hopefully not to the extent that we had to at one point in time.

I also had written down the test-and-repair vis-a-vis test-only station debate as kind of an issue that I thought the Legislature would be interested in as well as members of this committee, and I suspect we're going to want to take a peek at something like that.

I'm curious as to whether any consideration was given on trying to improve public information associated with the performance of engine group emission control equipment so that the public might get a sense of which engine groups tend to perform better over the years versus those that break down in older cars. An informed public might be more oriented toward

buying used cars that tend to hold up in the Smog Check compared to those that where emission control equipment failure is more common. Does your report address anything associated with that?

MR. CACKETTE: No, it doesn't.

CHAIR WEISSER: And the discussion that you had on unlicensed vehicles, does the report go into any greater detail regarding not just the size of the universe but perhaps the concentration of unlicensed vehicles in one area versus another?

MR. CACKETTE: No.

CHAIR WEISSER: I have many other questions that I will hold for future meetings. I would like to ask our executive officer if he could obtain a copy of the PowerPoint presentation which I found very informative, and put it up on our website as soon as possible, Rocky, if you could accomplish that.

And it also seems to me that sometime over the next meeting or two we've identified at least three or four areas where we're going to need certain status reports given to us from the agencies. In particular, I think a brief report on the remote sensing demonstration - I guess it's a demonstration is what we'd call it right now - I think would be helpful for us, in particular since in prior meetings you indicated that although the demonstration effort will go on for a year or 18 months, that you're hopeful if not confident the data will be available for sharing sooner than that, like within 6 months. I'd like to get

a better sense of what's being tested, when is data going to be available and the like. That's number one.

Number two, the pressure test – and I'm speaking now as a complete layman – is something I think this committee needs to be made aware of, because I have this vision of pressurizing systems and hoses blowing off and consumers being, you know, a little bit unhappy about the potential for damage or other problems associated with that, so if you could get yourself in place where you could give us a five- or ten-minute briefing at our next meeting or the meeting thereafter of how that would actually work and why this committee should not be concerned, and how this is going to get implemented very smoothly, I'd be interested in that.

And lastly, the question raised by Mr. Skaggs I think might be best addressed if we could receive a presentation on how ARB and presumably BAR test ideas of new technologies that are aimed to improve the operating characteristics of automobiles in terms of their emissions, and how that sort of process actually provides closure to people who have great suggestions associated with new technologies.

With that, I will end my little series of questions. Believe me, I have many, many more but they're more technical and I think I need to wait until I see the report.

Mr. DeCota.

MEMBER DeCOTA: With regard to the Governor's Executive Order on regulation that passed since 1996, does either BAR or ARB see any negative effect that may come about because of a repeal of any regulation that went into effect, is there anything that you're doing to be pre-emptive? In other words, what would it cost in air quality versus cost in dollars and that type of thing, are you doing anything on it?

MR. CACKETTE: We have done an analysis of all the ARB regulations pursuant to the Governor's Executive Order, reviewed them further (inaudible) they have a cost or impacts on businesses that were not anticipated, whether things have changed in terms of costs and benefits or efficacy since the regulation was adopted, and we have found a couple that we're going to review out of a total that have been adopted in that five-year period.

The report is being sent out (inaudible) who will be available, I presume, at some point in time in the near future, but at this point there's nothing in our regulatory schedule or activity that's been stopped or slowed down by that Executive Order and we've been given approval to move forward (inaudible). So assuming they agree with our analysis, I don't think there (inaudible).

CHAIR WEISSER: Excuse me. Is the same thing true with the Bureau of Automotive Repair?

MR. DORAIS: Yes, essentially the same analysis going on at the bureau and it is going to be an internal review. As Mr. DeCota knows, we have invited at the request of our bureau advisory group members to comment on any of the regulations that have been adopted since 1999, January 6th, 1999, and I think we have a list of about 20 regulations of Smog Check and other non-Smog Check regulations, but we are looking for comments back from the advisory group that met earlier this month, and we haven't seen in at least our initial read is that we don't have any regulations that need to be moved back per se.

CHAIR WEISSER: Anything further, Mr. DeCota?

MEMBER DeCOTA: Just that if there is any information from the ARB side that relates to the smog emission program, we, I think, as a committee would like to know what that is.

MR. CACKETTE: With respect to the Smog Check Program we don't have any regulations (inaudible).

MEMBER DeCOTA: Got you.

CHAIR WEISSER: But I think the request is a good one and will on behalf of the committee ask Pat to share with us as soon as possible any recommendations that are coming out of Executive Order 2, I believe it is.

MR. DORAIS: And in the interim I will also offer that we can provide the IMRC the same list that we gave to our advisory group a couple weeks ago.

CHAIR WEISSER: That would be terrific.

MR. DORAIS: Just to give you a sense of the Smog Check-related regulations that we're looking at.

CHAIR WEISSER: I'm noted that we already have it. Thanks to our very competent executive officer Rocky Carlisle, who I understand has his hand waving politely in the air.

MR. CARLISLE: Mr. Chairman, that was the only comment I just wanted to make that we do have that. The only thing I did, I pulled any regulation off that wasn't anything to do with Smog Check.

CHAIR WEISSER: Thank you.

MR. CARLISLE: Plus I added the fiscal impact off the fiscal impact statements supplied by BAR. It is in draft form at this point, because they have not reviewed the fiscal impacts I took off the forms I'd asked the board to review for five months.

CHAIR WEISSER: Thank you. With that, what I'd like to do is shift the committee's attention to a brief discussion on how we might go about organizing our committee. I'm sure in our last bio break that either in the library or outside in the medication area that considerable thought was given to how we might proceed, and I would like to open up the discussion with anyone that might have any comments or suggestions as to how we should proceed in the fact of receiving this summary of not recommendations but what we call findings.

MEMBER LAMARE: Opportunities.

CHAIR WEISSER: Opportunities. Findings and opportunities. But yet, we're still without a report. Is there any committee members that came up with some good ideas on how we should proceed? Mr. Williams, I see your hand waving.

MEMBER WILLIAMS: Well, I've already been chastised for imagining that there's no coverage of test-only versus test-and-repair that's in the report, so I think the lesson there is we'd better wait until we see this report before we divvy up our responsibilities. But maybe the flip side of that is that it really will come in the next month, and so we can actually do something then.

CHAIR WEISSER: Well, I'm hopeful if not confident that in fact it will come within the next month. I also note that we're missing two very prominent members of our committee, our vice-chair Norm Covell and Mark Martin. Maybe we just aren't really ready to organize a review in total now.

One option might be to initiate some activities that we know one way or another are going to have to take place, but even then we're kind of shooting in the dark. For instance, were we to resurrect the withdrawn motion to establish a subcommittee to look at metrics and measures, you ain't got nothing to look at until we get the report in our hands, and it might just be not worth starting anything until in fact we get our report in hand.

What are your feelings, any reactions anyone?

Mr. Pearman.

MEMBER PEARMAN: Well, just a couple thoughts. One is, I think we can hopefully proceed on the basis that the report will be forthcoming and cover at least these opportunities and perhaps we could ask our executive officer to maybe also be gathering other material, whether from ARB or BAR or other states or other industry participants that might be relevant to making decisions on those.

MR. TRIMLETT: Speak up, can't hear you.

MEMBER PEARMAN: The second thing is that we did -

CHAIR WEISSER: Len.

MEMBER PEARMAN: - we did supposedly recirculate our priority list to Mr. Carlisle, so particularly if the report is issued between our next meeting we might solicit suggestions for being on subcommittees in certain area, and you could then make your own decision on appointments or bring it up at the next meeting.

CHAIR WEISSER: Let's refresh the memory of the committee. Rocky, a few weeks after his appointment sent out that wonderful list of 60 or so issues that we thought were in the universe of potential consideration and asked us to individually give a sense of what we thought were the more important ones that we were most interested in doing. Maybe

Bob's suggestion is right that were we to respond to that - I know I plead guilty, I did not respond to it - it would give our executive officer a sense of direction, plus allow the new members of the committee to see the 69 or 70 issues that are there and also not understand 50 of them, and that would be good for them to call Rocky and get informed or others to get a little more informed.

So I like that idea. Could you recirculate that to the full committee and ask for people to respond to one of those?

MR. CARLISLE: Yes, I have received, I think I've received seven.

CHAIR WEISSER: Oh, my gosh. I'm terribly embarrassed.

MEMBER HISSERICH: Mr. Chairman, I responded and I didn't understand any of them but I took my best shot just based on being a member of the public, I guess you could say.

CHAIR WEISSER: Thanks, John. Oh, boy. Well, I think your suggestion is a good one, Mr. Pearman, that we ask our executive officer to kind of look through the information we have so far, come up with some alternative potential mechanisms for us to split up and divide our work. I would not come in with merely one, I'd come in with a bunch of alternates. I'd be pleased to be of any help I can in your formulation of this, and then we'll go from there.

Jude, did you have something you wanted to say?

MEMBER LAMARE: Well, yeah, I'd like to know why Gideon doesn't want Jeffrey and I to work (inaudible) on this report and come back and share information with the group in a formal way.

CHAIR WEISSER: A question has been asked, I see nobody jumping up and down to answer.

MEMBER KRACOV: I have no problem with that whatsoever. We brought up this issue about splitting up into committees last and I think it's a very good idea. I think it'll give us something to work on between the meetings, but I thought we were going to have a discussion about what the committees would be and we were going to wait – I think it's in the minutes actually we approved today – we were going to wait until we got the report and figure out what we needed to do.

If you folks want to start on that now even though you don't have the report, great, although I think this committee should approach things in a systematic manner that we've thought through before we go out and spend time in between meetings on these issues.

CHAIR WEISSER: Mr. DeCota and then Mr. Skaggs.

MEMBER DeCOTA: I've got to support Gideon on the issue. I think that we need to take and prioritize our areas of expertise, why we were put on this committee, with the topics that Mr. Carlisle will be able to culminate and take a certain percentage, if that's half or 50 percent of them that seem

viable, then those should be broken up further and discussion should come from the committee as to who is going to serve in what areas on what issues. I think that is going to expedite our ability to put forth a report that has meaning in the areas that we already understand and have expertise in.

CHAIR WEISSER: Mr. Skaggs.

MEMBER SKAGGS: Thank you, Dennis, I was going to say the same thing, but again, I know that I've wanted to work with Gideon on this subject on testing and things like that, since he's a prosecutor and he can see what happened here, as a committee, so that's why I thought we were going to wait, because I was going to bring up the fact that would be another committee because of his expertise. Thank you, Mr. Chairman.

CHAIR WEISSER: Thank you, Mr. Skaggs. Mr. Carlisle.

MR. CARLISLE: It occurred to me that maybe Ms. Lamare has a good point with regard to the metrics. David Amlin mentioned that the methodology used for 2002 report was the same as 2000, so maybe it would be a starting point to form a subcommittee for the metrics at this point and get a jump on doing the program evaluation.

One of the things I did do was create a spreadsheet where I suggested some possible subcommittees based on different components of the program evaluation. I haven't presented that

to you yet, but I will shortly. I thought I'd just throw that out for comment.

CHAIR WEISSER: Well, we have some division of opinion here, but I don't think it's a serious one but there are a couple people who are wondering why we shouldn't start at least getting a little information together on metrics. Others are saying let's wait until we get the full panoply of what we need to look at before organizing. And I'm an American and I like voting on things like that, so I'm going to make a motion.

MEMBER SKAGGS: Mr. Chairman, before you make your motion.

CHAIR WEISSER: Yes.

MEMBER SKAGGS: I would like to make a suggestion or see how we can, since we're going to have one subcommittee, I was holding back, but I think I'd like to make a recommendation that Gideon and myself would form a subcommittee to look into this thing about things like the presentation of 1999 and what happened and things like this. I think because of his background as a prosecutor, this would be a great subcommittee and would really be helpful.

So I would suggest or make a motion that Gideon and myself form another subcommittee since we're going to start one now. I don't know. I mean, if there's a motion that we have one, we might as well have another one.

CHAIR WEISSER: And I really appreciate you doing precisely what you did, because it will make me withdraw any consideration of making a motion, and I as the chair of the committee will make a decision that we will withhold in organizing for development of our report, including the review of the BAR/CARB report, until we receive the report or at least until next meeting, our next meeting. So that's going to conclude the discussion on this item. So thank you very much and we'll move from there.

Now I'd like to move to, if no objection by other committee members, to the public discussion portion of the agenda.

Gideon, do you have something before we go on?

MEMBER KRACOV: I know it's a long day and it's a very serious matter, but I'm wondering if our CARB representative Mr. Cackette has ever been told before that he bears more than a passing resemblance to our chair Mr. Weisser.

CHAIR WEISSER: Separated at birth.

— o0o —

We are going to start our public discussion. We're going to have to keep to a fairly tight timeframe this time because the meeting must conclude at 4:30, and this meeting we're going to start from the back of the room and move to the front,

because I always go the other way. Mr. Ward was strategic today and chose the very back of the room. Randy.

MALE VOICE: Would you put the time on the tape, Mr. Chairman?

CHAIR WEISSER: The time is now ten minutes after four. Thank you. Would you introduce yourself, Randy, and can you hit the green light?

MS. FORSYTH: It's lit.

CHAIR WEISSER: I meant the timer light.

MS. FORSYTH: There is goes.

MR. WARD: Randall Ward, I represent the California Emission Testing Industries Association, which is California's test-only association. I'll make brief remarks and obviously will take time to really comment when I see the text of the report.

I think it's important to point out first as a matter of simply putting this in perspective that the 60 percent achievement goal that Mr. Cackette spoke of in the 2000 report was arguably very optimistic goal at the time, and it doesn't really because the EMFAC, while it has changed so dramatically and the fleet numbers have changed so dramatically that it doesn't represent it and it's obsolete.

It's also, I think, important to point out that the '94 SIP envisioned some things which is kind of ironic you heard

today were just being implemented. And I know Ms. Lamare with her background is well aware of this, but the original '94 SIP anticipated evap emissions testing, anticipated heavy duty vehicles, did not anticipate any vehicle exemptions; i.e., four-year-old and newer, six-year-old and newer, 30-year rolling average, none of those things. And it also anticipated 36 percent from the get-go being directed to test-only.

So I think if you take a look at the way the program has ramped up, you'd find that it certainly hasn't been with the original objectives that the ARB would have liked to have seen, and it obviously hasn't met the SIP commitments.

It's also important to note there is an inherent conflict between a consumer-oriented agency; i.e., the Bureau of Automotive Repair as an administering agency and the other agencies that are more concerned with the environment and health-based impacts. The health-based impacts, once again, and I mentioned this before, continue to be demonstrated very, very seriously by a joint ARB contract with the University of Southern California on the (inaudible) testing of school children, and that data is periodically presented in the newspaper and is clearly very, very graphic data and illustrates how significant air quality has an impact on the health of children.

Also, I think it's also important to point out by way of background as well that the ramp-up of this program; i.e., cut

points and increasing the number of vehicles going to test-only, didn't occur by the good graces of the Davis administration; it occurred because the David administration was facing the threat of litigation from prominent environmental organizations for not having implemented the SIP, so essentially what you saw was a lack of administrative whip.

In closing I just want to say that I think that the objectives can be accomplished in Smog Check II, and I think this committee's efforts will go a long in doing that and I look forward to the opportunity to comment in writing on the text of the report. Thank you.

CHAIR WEISSER: Thank you, Randy. Mr. Bohanan.

MR. BOHANAN: I'm Frank Bohanan, Specialty Equipment Market Association. Last time I was here we talked about a number of things and you asked for some data, so I provided everybody with a package. There are three components to the package. The first one is the testimony that I gave, believe it or not, 11 years ago to the day on many of the subjects that we've been talking about. And I guess if anybody thinks I'm going away that proves different.

The other thing is that the points are very much relevant, and to make a long story short because I only have a short time, the simple thing that we have the biggest problem with is not the goal, which we totally agree with the agencies

on, which is basically minimize the number of verified gross polluters, and our problem is with the mechanism.

Unfortunately, we believe that the use of average data, and everything you've seen has been based on the EMFAC model, which by base design uses average data, unfortunately gives you flawed assumptions as to the benefit of many of the things you're looking at. We liken it somebody handing you a piece of gold and you finding out there's just chocolate with foil wrapped around it.

The fact of the matter is you're looking at things and you're hearing numbers like 5,000 tons per day, \$10,000 per ton and so forth. I have here a report that the South Coast Air Quality Management District did, actually it was 1996. You say so what, 1996. Well, if anything, the data is more valid today. The point is more valid today than it was then.

In a nutshell, it says if you take the dirtiest ten percent of the vehicles out there, you verify, you don't just guess with a computer model, you don't guess how many miles they're driven if they're driven; you actually go and find the ten percent of the vehicles that are dirtiest vehicles, it's \$251 a ton to fix them.

That's what you should be doing. That's the secret. Find the real gross polluters; fix them. If you can't fix them,

scrap them. If you scrap them, save the parts. That's what we've been trying to do for eleven years.

The other two important components of this are some notes about scrappage and also a bunch of data, including, believe it or not, something from concerned Union Oil scientists, which many years they expressed some concerns about scrappage programs and about too much credit being given for the problem.

So again, we don't have a problem with the goal; we have a problem with the claims that are being made and not being met. And all you have to do is ask yourself when was the last time the computer model met the roadside data? What was it, 50 percent short a couple years ago?

So we're just basically talking about reform. We are working within the Legislature to bring out a scrappage reform bill, and some of that will also include elements addressing the computer model. The bottom line is, you can't solve the problem if you don't accurately define it, and we believe, to make a long story short, that as long as you rely on computer programs that use models and assumptions, you're not accurately defining the program. And I would be happy to come back and explain all this in detail at any time.

CHAIR WEISSER: Thanks, Frank. Members of the committee will have the opportunity to read the materials you've

provided after the meeting, and in fact we might enjoy hearing more information.

Mr. Skaggs?

MEMBER SKAGGS: Yeah. I think that if we were to ask Mr. Bohanan to come back and give us a presentation at a later date, since he has this knowledge, and I've heard his presentations before, and we have all the new members here except Dennis DeCota and myself, I think it would be wise for him to come back and give us a full presentation, because as he said about Union Oil and all the other stuff, he knows what the credits were worth and how much they were paying for them, plus the scrappage program, so I think it would be a benefit to this committee for someone independent from any agency to come back and give us a presentation.

CHAIR WEISSER: Thank you. We'll go back to Chris.

MR. ERVINE: Chris Ervine, with STARS, a coalition of state test-and-repair stations. First off, I left you some stuff there. In the photocopy I found out that the reduction highlighter almost completely blanks out anything that was there, but it was too late for me to get it recopied. I also found out that blue doesn't show up at all. So anyhow, if you have any questions please call me and I'll be glad to give you some copies that are legible.

One thing that I had a question of, and (inaudible), but we have coming up here a \$2,000 investment for the test-and-repair and test-only industry in evaporative emission control testing equipment. Vehicles since 1996 are capable of testing themselves and we have a diminishing fleet prior to that that's getting smaller every day, and you're asking us to spend quite a bit of money for some test equipment that will become obsolete sooner or later.

The other problem with it is that it only identifies the fact that there is a leak, it does nothing towards diagnosing the leak, so we would be required to spend another \$1,000 to \$2,000 for another piece of equipment to identify where the leak is. If we could combine this into one piece of equipment, it would certainly be economical to the industry.

On scrappage cars it was brought up previously, and my question was, are these cars going to be crushed or are they going to be added to the used parts inventory? Because as far as repairing smogs on vehicles, some vehicles are very difficult to find parts for and the only place we can find them is out in the wrecking yards.

Lower cut points on vehicles. BAR said that they were looking into rules and regulations on that and that they would probably lower the cut points for after repair tests through regulations. I have a problem with it in that customers and BAR

themselves through the CAP program have over and over again a car will just barely pass smog and they do not wish to spend any more money on that vehicle. The CAP program is just as guilty of it as a regular paying customer.

The other problem I have is, we've gotten ourselves into a situation through BAR just doing things through regulations rather than going through laws where the test-and-repair industry is hampered dramatically financially and that's something we need to get remedied.

CHAIR WEISSER: Well, I would only say in response to your last comment that I think the Governor's Executive Order number 2 is aimed directly at that, where they're asking agencies to review all rules and regulations adopted in the last five years to examine whether the economic impact was adequately addressed, particularly to small businesses. Prospective of that same sort of standard I think will receive more attention than that which you've seen in the past. Thank you for your comments.

COMMITTEE MEMBER: Mr. Chairman, I have one quick question, if I may.

CHAIR WEISSER: Yes.

COMMITTEE MEMBER: Mr. Ervine, I admire you candor and forthrightness and the series of questionnaires you gave us here from your members about how they've lost money. I note one individual here actually had an increase of a hundred per year

and hasn't lost any money. Briefly, what do you attribute that to? I appreciate that you gave us all the information that you had.

MR. ERVINE: And I did provide that because it was sent to me, and I'm not sure, I haven't had a chance to take to the person again, but I'm not sure whether he misunderstood the question and filled it out improperly, but basically, time and time again I've talked to the test-and-repair industry and I see a 70 to 90 percent drop in the number of vehicles for initial inspection to test-and-repair industry.

CHAIR WEISSER: Thanks, Chris. The gentleman over here, please.

MR. FRASCA: Thank you, Mr. Chairman. My name is Joe Frasca and I'm just an interested member of the public. Two questions, or not questions but kind of clarifications I'm interested in knowing and any members of the committee as well based on some of the questions that they had.

In the document there was a statistic of 284 tons per day reduction in the enhanced areas, and then a comment made that 500 tons per day reduction was targeted for the L.A. basin alone. Based on the 6 percent achievement of the '94 SIP, is that realistic, is it possible, because there was 160 tons per day identified, to quote again from the presentation, looking at the findings one through eight, I could only come up with

approximately 64 tons per day as being identified areas of reduction for those eight findings. So I'm just wanting to know if this is the proper mechanism to find out the information or whether it will be in the report and when the public might have access to that report after it's gone through the final process.

CHAIR WEISSER: In the interest of time let me try to respond. This is probably not the right committee for that. I mean, what you're really dealing with is a fundamental attainment strategy from the Air Resources Board and then the South Coast Air Quality Management District. But I think it would be fair to say that the amount of reductions that are proposed as necessary for the south coast will be an enormous breach and one that we don't know how to do yet.

MR. FRASCA: So the 500 is not just focused with mobile.

CHAIR WEISSER: That's correct.

MR. FRASCA: Okay, that clarifies it. Thank you.

CHAIR WEISSER: That should not relieve you any because it's not (inaudible).

MR. FRASCA: Just again it goes back to some of the comments of Mr. DeCota regarding total amount of pollution and a chart of where the potential savings will be to put it in a context I'd understand.

CHAIR WEISSER: And that would be really desirable.

MR. FRASCA: The second item, somewhat pertaining to what Ms. Lamare was saying, focused on evaporative emissions. I was curious what focus has been made on refueling emissions and are they distinct, can they be quantified? I saw some data on that years ago about a Honda, a low emission vehicle. Its emissions were quite low and that a third of the pollution was coming from evaporative losses, a third from refueling and then the final third from actually on-the-road activity, and that focused my attention on refueling emissions. I know that there have been improvements made in the refueling nozzles in enhanced areas, but I didn't hear any of that in the finding as a potential area for improvement.

CHAIR WEISSER: Once again, the refueling operation is not connected to the Smog Check Program per se, but suffice it to say that new cars are so clean that I understand the Hemlock Society has removed from their list of suggested ways to kill yourself locking yourself in your garage and running your car, because you'd have to be there like six days before you'd die.

I've also heard that new cars, the evaporative emissions from new cars, including the paint, the tires and the upholstery, far outweigh the emissions that are coming out of the tailpipe. I don't know if it's true but that's what I've heard.

MR. FRASCA: Thank you.

CHAIR WEISSER: You're welcome. Thanks for your questions and thanks for coming to sit in. It's always good seeing new faces. Len.

MEMBER HOTCHKISS: Mr. Chairman.

CHAIR WEISSER: Oh. Yes.

MEMBER HOTCHKISS: Could I just tag onto your death scene. Actually, the Society of Automotive Engineers did a study in 1990 that said that if you locked yourself in a garage with a 1990 vehicle in an average garage, that the vehicle would run out of gas before you'd kill yourself. So I would imagine you would go through many tankfulls now.

CHAIR WEISSER: Len.

MR. TRIMLETT: Len Trimlett. The (inaudible) says it must handle vehicles with ground to body panel clearance 14 inches or less. Greater than 14 inches there is no requirement. That leads me to believe that pickups with lift kits, combination vehicles, passenger and trailer, motorcycles, class B trucks and semis will not be handled properly but they will be in the results. These will place extraneous results in the vehicle identification file and the vehicle license plate record file, leading me to believe that the ability to invalidate these is not in the system.

If (inaudible) cannot invalidate these and BAR and CARB have not been able to provide me with any invalidation criteria,

it is my belief that the quality control is defective. It is less than desirable.

Now, if you take these examples and you look at page 23 of the (inaudible) it says that the optical character reader only has to be 50 percent accurate. Now, 50 percent accurate means that the license plate reader is 50 percent accurate and it means that the whole system is relegated to 50 percent accuracy. That's not acceptable.

I'm asking for explanations, though I am not having any good technical explanations from either BAR or CARB. Where is the quality control? As Aunt Clara says, where's the beef? I await your response from Mr. Amlin.

CHAIR WEISSER: Thank you. And what I'm going to suggest is that we need to be briefed on the remote sensing demonstration and to find answers to questions like that to better describe what we're after. So what I'll do is confer with our executive officer and arrange a time for you to present to us information associated with the demonstration.

Are there any other questions from the public?
Charlie. Happy New Year, Charlie.

MR. PETERS: Chairman Weisser and committee, I'm confused. I'm Charlie Peters and (inaudible). I think I need some reading glasses. It says here, "Members of the public will receive up to three minutes to present comments on each item on

the agenda," and I have great difficulty understanding what the means. I help up my hand on the very first item on the agenda. Obviously (inaudible). So as a point of order we do what it says here or I just don't understand how to read or (inaudible).

CHAIR WEISSER: Is that a question?

MR. PETERS: (Inaudible)

CHAIR WEISSER: Okay. Why don't you put a stop on that for a second. Well, you're right today. We spent so much time on receiving the verbal report and asking questions among ourselves that we really diminished the amount of time that's left to the public, and I apologize for that.

However, as you saw in the agenda, there was really only one item on the agenda and that was the committee's receipt of this verbal report from CARB. We had a status report and the other activities were merely ceremonial or ministerial in nature.

That being said, I think we need to pay better attention to providing the opportunity for public comment with each item of substance on the agenda.

I'm going to look over this wording with the staff. We may need to change it so that it is more reflective of what we're able to do. There are going to be items on the agenda where public comment, you know, is not appropriate. There are items where it's absolutely appropriate and we may need to come up with better wording. And today we didn't do a good job, Charlie.

MR. PETERS: I appreciate those comments because for me there were many items discussed today I thought it was very appropriate for you to have additional information. That didn't seem to be possible today. I'm going to have to do some real relaxing here because I held my arm up today quite a bit now. So that really is not my public comments at all, that's just a clarification of the order as to what the rules are here, and I appreciate your response.

My comments, since this is a public comment and we're supposed to comment on the transactions today, I'll just kind of wing it a little bit here.

Just as a point of clarification, I've got a letter here, South Coast Air Quality Management District, to Mr. Charlie Peters, Clean Air Performance Professionals, with copies to the executive officer and (inaudible) and others. One of the things that it says here is that 75 percent of the ozone problem at South Coast is (inaudible). That's an interesting percentage. It sounds like the things that you're considering are probably very important.

Just lots of things today and seemed to me just today that I somehow got it into my mind that the Bureau of Automotive Repair was a regulatory agency and that it's also a licensing agency that licenses people who do business in the State of California. There seems to be somewhat of a budget shortfall

that seems to come from lack of sufficient business taxes and what have you. And just in my ability with gray matter, it seems to me like the opportunity to deal with issues of profession and issues of professionalism and issues of seeing that the public gets an appropriate job done, it would certainly create political will if you'd provide sufficient support for the Bureau of Automotive Repair to do auditing of standards and reducing emissions. This 500 tons necessary at South Coast sounds to me like a piece of cake.

When we've got things like U-Haul renting tens of thousands of U-Hauls running all over the State of California with most all of them having Arizona plates on them, never ever getting a Smog Check. And of course that doesn't matter enough to this committee to even find out about, makes me wonder what we're here for.

I certainly would appreciate a little more time to speak in the future.

CHAIR WEISSER: Thank you, Mr. Peters. Larry, did you have your hand up?

MR. ARMSTRONG: Yes, my name is Larry Armstrong. Mr. Peters didn't do it but I'll introduce you to Mr. Frank Cruz. Take a good look at him because that's the kind of person that our state puts out of business for what I can determine is no valid reason at all, so I'll let you get a good look at him and

just kind of picture that in your mind as you're going through here.

To the new members, I would suggest that you go back and remember that one that they had back in President Nixon's day where the one guy said follow the money. Try to follow the money here as you go along, and I think maybe you'll get some interesting perspectives on some of these things that were debated.

I certainly want to compliment Mr. Amlin. He finally came out and told you that one-half of directed vehicles are being sent to test-only. He did say that it would come up again, so here it is. He was almost not able to get that out about two or three weeks ago at the chief's advisory commission meeting, but he got it out today so I'm really proud of him.

There are about 200,000 vehicles according to the Bureau of Automotive Repair in the basic areas. The regulators said that there was going to be 8.9 percent fail rate on those cars, so at the end of a couple years we're going to have 17,800 broken cars running around in the State of California in basic areas, possibly coming into some of the enhanced areas sometimes, and I think it's a little bit ignorant to not be addressing that.

Somebody asked about how many cars failed the next test. I believe that you had testimony at this committee that said that 20 percent of the vehicles when they went to the next

test failed. I always like to point out that that means that 80 percent then passed, and which is a pretty extraordinary record, really.

I'll leave with you, I made a little graph. I'm a terrible artist, but I made a little graph of what was on a page and somebody was asking about what things were on there, but that graph is almost a straight line when you take the percentages of comparisons between basic and enhanced and run just the numbers, it's damn near a straight line.

If we delete change of ownership vehicles, what we've done is then basically deprived the vehicle manufacturers of a snapshot look at what's going to happen to their vehicles later, and it's going to basically disable the ability to make improvements, except that now we're going to wait a long period of time where we could be looking at some of those vehicles that change ownership in a hurry.

There was a comment about item, I think it was number 15, I don't fully understand, but it's referred to as non-codified. And non-codified to me is it isn't, and so I would like to have somebody determine why it is that regulators are following some instructions that aren't, and that's a good question I'd like somebody to ask.

I recommended a change quite awhile ago, maybe consider tests at three, four, five years, and seven years and an annual.

If you think about those little charts that were up there you can think about that one and see if you'd like that.

CHAIR WEISSER: Larry, I'm going to have to ask you to bring your remarks to a close.

MR. ARMSTRONG: Thank you.

CHAIR WEISSER: Thank you. Ladies and gentlemen, I will again apologize for not having what I consider to be more adequate time for public comment, and only say that it is clear that in terms of this report and the IMRC's development of its own report, we're going to have plenty of opportunity to get input, and we will all benefit when we have the report in hand. Thank you. Any further comments from the committee? Mr. Skaggs.

MEMBER SKAGGS: I think that Rocky brought up a point at the very beginning about office space, and I would like to make a couple suggestions. We have a lot of problems with parking today. I drove around for five minutes, maybe ten minutes, trying to find a parking space. If we could talk to the California EPA, the building they have I was told that 25 percent of that building is empty, so there's a lot of space over there and that could be another consideration since they have – no? Tom's shaking his head no.

CHAIR WEISSER: First of all, I think they have the parking capacity of about three cars. Very deliberately limited to try to force or encourage people to ride transit.

Second of all, you came around the same time I did and they have double upper level of the parking garage across the street was open. Okay.

Any further questions? I heard a motion for adjournment, Mr. DeCota so moves. Mr. Skaggs seconds. All in favor say aye.

IN UNISON: Aye.

CHAIR WEISSER: Thank you very much.

(Meeting Adjourned)

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